

Khmer Rouge press on to edge of Phnom Penh

final battle for Phnom Penh appeared to
begin yesterday, the communist-led
gents mounting a large-scale attack which
them to within a mile of the capital's air-
Refugees pouring into the city brought

with them soldiers deserting their posts and
even infiltrators wearing the insurgents'
uniforms. A pilot of the Cambodian Air
Force bombed the military headquarters in the
centre of Phnom Penh

Cambodian pilot bombs Army HQ

sydney Schaubert
Phnom Penh, April 14
Cambodian insurgents, in
large-scale attack, on
the edge of Phnom Penh
yesterday pushing thousands
of refugees into the city.
The pilot, later identified by
the Government as Captain
Khieu Yoe Savath, presumably
flew off to land in the
territory. The armed forces
commander, Lieutenant-General
Sakhan, was in the head-
quarters at the time of the
bombing, but was not hurt.
Not only were villagers and
refugees fleeing into the
city, but a number of soldiers
were fleeing with them, leaving
their posts, carrying everything
from their rifles to radios. The
refugees said they had not seen
the insurgents but had fled as
the shelling and bombing came
closer to them.
There were unconfirmed
reports that insurgent infiltra-
tors, some in uniform, had
actually entered the city. Driv-
ing through the market of
Pochentong town, only three
miles west of the edge of the
capital, I saw three soldiers in
insurgent dress—black cotton
shirts and trousers, red
checkered neckerchiefs, and
ammunition bandoliers across
their chests—and carrying
Chinese AK 47 rifles.
They were doing nothing but
looking around. The few civi-
lians in the vicinity did not
appear frightened.
The Government imposed a

24-hour curfew starting at noon,
and, in radio broadcasts, told
the people to remain calm. Up
until then, the radio had been
playing patriotic music and mes-
sages, and programmes—in
honour of the three-day Cambo-
dian new year, which began
yesterday.
Two hours after the military
headquarters was bombed
General Sakhan made a broad-
cast which was the first acknowl-
edgement to the people of any
unusual trouble. However, the
general, who is also head of the
new military government
formed two days ago to meet
the crisis, mentioned only the
headquarters bombing and said
nothing about how close the in-
surgents were to the city.
He said the Americans could
not land supplies at Phnom
Penh airport, known as
Pochentong airport, because it
was being continuously shelled,
but he said United States air-
craft would drop ammunition,
fuel and food by parachute to
Phnom Penh and to isolated
provincial capitals such as Prey
Veng, Takeo and Kampong
Chhnang.
The general, speaking in
Khmer, said: "We are also
asking other countries and
humanitarian organizations to
help us with food supplies." He
said he and the other leaders
of the country were considering
to direct the Government and
there was peace.
Despite the lack of panic in

the capital, the number of
worried faces began increasing
as the news from the close
fighting on the city's western
outskirts began to filter into
town.
At 4 pm, it was reported that
the fighting had moved closer
to the city and that a battle was
going on only 500 yards from
the Pochentong market. Cam-
bodian reporters returning from
the scene said the fighting was
heavy.
The capital was full of strange
scenes today. An old French
teacher—a legendary figure at
the Hotel Le Phnom—sat in her
regular chair at the side of the
hotel's pool this morning, wear-
ing as always a white dress with
a white shawl over her should-
ers. She was waiting for the
Cambodian children for whom
she is now the governess and
nurse.
The only difference this morn-
ing was that she was the only
person at the pool, the other
habitués having been distracted
by events. The children did not
come. But the old teacher sat
there unperturbed, her face a
mask of calm.
A grimacing beggar entered
the hotel lobby and began to
assail every foreigner in sight,
in a loud whining voice. He
ranted everyone's already
frayed nerves so badly that he
paid him handsomely just to go
away.—New York Times News
Service.

down with arms, South Vietnamese troops queue for helicopters to take them to defend Xuan Loc. Report, page 6.



Photograph by Kelvin Brodie

merica embarrassed by rescued 'orphans'

ter Stratford
April 14
cans are now discover-
many of the "orphans"
the United States in
two weeks are not
at all. Many appear to
be the children of well-
to-do families in South Viet-
nam, managed to get them
out of the country by air-
craft.
Children came to the
States to join a parent
relative already living
in Washington Post re-
veals that this was the
case of three children it had
been found in the United
States since 1964. The
children were found in
or mothers in different
the United States.
The mothers, now in
Vietnam, are married to an
American. Her husband told
the newspaper: "If we had

been rich, we would have tried
to get them out earlier, but we
didn't. He added that his
Congressman had spoken to the
South Vietnamese Embassy for
them.
These reports have put the
adoption agencies in an em-
barrassing position. An official
of one of them, Orphan Aid, Inc.,
has denied that they are true.
"What the children say in
their current emotional state
may be what they think you
want to hear," he said.
However, other officials of
the same organization estimate
that as many as 10 per cent of
the children who have been
passing through the processing
centre in San Francisco may not
have been orphans. This is
based on conversations with in-
terpreters, have had with the

incoming children, many of
whom carried papers explaining
how their parents or relatives
could be contacted.
One 10-year-old girl, who
arrived with two younger
brothers and a baby cousin, said
that her father had paid "a lot
of money" to a South Vietnamese
colonel, whose picture she
carried, to get them out of
Vietnam.
"We stayed only a week at
the Go Vap orphanage in Sai-
gon, but we ate good food and
were separated from the other
children there."
Some South Vietnamese fam-
ilies have been broken up in
order to get children into the
United States. The Washington
Post quotes the case of a 12-
year-old boy who had come with
two sisters, but had left six
other brothers and sisters

behind in a fishing village near
Qui Nhon. The three orphans
were held separately to France,
West Germany and
Belgium.
A Staff Reporter writes: One
of the Vietnamese orphans
brought to Britain last week
died in hospital in London yes-
terday. The four-month-old girl
had been nicknamed Sukki by
staff at the Central Middlesex
Hospital, where she was taken
with malnutrition and gastro-
enteritis.
Twenty-six children were
taken straight to hospitals after
arriving in London on the flight
organized by the Daily Mail. At
the weekend the number being
treated stood at 24 after a scare
over chicken pox. A number of
children were sent out after
observation, and yesterday the
figure was 28.

Mr Rees tells of attempt on his life

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr Rees, Secretary of State
for Northern Ireland, disclosed
in the Commons yesterday that
a Protestant assassination squad
attempted to murder him last
May at the time of the strike
by the Ulster Workers' Council.
The "loyalist" concerned
was arrested and Mr Rees
signed an interim custody
order. He told the House that
a few weeks ago he released the
man as part of the Govern-
ment's policy of phasing out
detention in line with a
"genuine sustained end of
violence".

The disclosure came as Mr
Rees was explaining the week-
end indiscretions of Lieutenant-
General Sir Frank King, the
GOC in Northern Ireland, who
publicly criticized the Govern-
ment's detention policy.
angry Labour MPs protested.
Mr Rees said that the general's
remarks had been a mistake
involving political embarrassment.
Sir Frank had expressed his
regrets and had told him that
he had no intention of criticiz-
ing government policy. He
had been concerned solely with
some of the practical difficul-
ties arising from urban violence.

The GOC had explained that
he spoke from notes and did
not think that journalists were
present or that his remarks
would be reported. His reported
remarks were taken out of con-
text, he said.
Mr Rees added that there was
no question of Sir Frank's mak-
ing an official speech or of
giving a press hand-out or brief-
ing. The Sir John's Protection
Brigade conference at which he
was speaking was not specifically
related to Northern Ireland but
to urban violence in general.

Mr Rees added that Sir Frank
was now fully aware of the
generals he knew, and he was
convinced that it was not done
to get into the political arena.
He accepted the general's
assurances, adding that Sir
Frank's security advice was
always of the best and it was
that advice that he wanted from
him. From the Opposition front
bench, Mr Airey Neave praised
"this fine commander" who
was doing a difficult job. He was
glad that Mr Rees had accepted
the explanation.

Christopher Walker writes from
Belfast: The news of the
assassination attempt has been
one of the best kept secrets in
Northern Ireland. Mr Rees's
disclosure surprised the few
government officials and security
chiefs aware of the attack.
Since the violence in North-
ern Ireland began in earnest
five years ago, one of the Gov-
ernment's greatest fears has
been that an extremist group
would start an assassination
campaign against leading British
politicians. As a result, the
Secretary of State is always
closely guarded by marksmen
during his visits here and at
his home in England.

It is believed that the man
responsible was a member of a
gang made up from militants
in either the Ulster Defence
Association or the Ulster Vol-
unteer Force, the two leading
Protestant paramilitary groups.
However, both disclaimed any
knowledge of it yesterday.
At the time of the assassina-
tion attempt Mr Rees and the
Government ministers were
officials who accompany him
were living in a private wing of
Culloden Hotel on the outskirts
of Belfast. While staying in
Ulster he made daily journeys
in a bullet-proof car between the
hotel and Stormont Castle.
Since then new arrangements
have been made to accommo-
date him.

Continued on page 2, col 4

Trade deficit reduced to lowest figure for two years in Budget-eve boost for Chancellor

By Melvyn Westlake
Economics Staff

On the eve of the Budget, the
Department of Trade announced
yesterday that Britain's trade
performance was continuing to
improve. The overseas deficit
was cut last month to £106m
from February's £290m.

The industrial dispute in the
Port of London and the fisher-
men's slowdown at some ports
however, have contributed to
the improvement.
Last month's deficit was the
smallest for almost two years.
When allowance is made for a
£120m surplus on invisibles
(that is, trade on services, trans-
fers and profits, interest and
dividends) the current balance
is shown to have been in sur-
plus by £14m, the first time it
has been in the black since
December, 1972. That compares
with a deficit in February of
£170m.

Imports, at £1,646m, are
thought to have been much
more affected by the action of
the London dockers than ex-
ports, at £1,540m. That is be-
cause the import statistics for
last month correspond closely
to the movement of goods arriv-
ing at the ports and therefore
reflect the effect of the dispute
fully.

Exports figures were less
affected because they relate to
goods passing through the ports
from about mid-February to
the end of March. However, there
was a reduction in the deficit on
oil, which is unlikely to have
been distorted much by the
dockers' strike.

The trade news helped the
pound on the international

foreign exchanges, but it later
relapsed and closed at its worst
level ever. Its devaluation
against 10 important currencies,
compared with December,
1971, worsened from 21.9 to 22.1
per cent. Government stocks,
on the other hand, rose by up
to 75p on the Stock Exchange.
The Department of Trade was
unable yesterday to say how
much imports had been affected
by the docks dispute. But
the average level of imports
over the previous three months
(minus oil imports) suggests
that perhaps less than £50m of
goods may have been held up.
The visible deficit in March
might thus have been nearer to
£150m, which is still only a
little more than half the pre-
vious month's deficit.

The scale of the improve-
ment in the nation's trading
performance is even more ap-
parent if viewed over the past
three months. For that period
the visible deficit was £671m,
compared with £1,454m in the
previous quarter. The adverse
gap on the current balance has
shrunk by two-thirds, to £311m,
from £1,075m.

Much of that improvement
arises from higher prices for
exports, and a reduction in the
demand for imports. Since
January export prices have
risen by 5 per cent, while the
cost of imported goods has
increased by only 2½ per cent.
The world economic recession
also seems to be having the
greater impact on the volume of
Britain's imports than on its
exports.

During the past three months,
the country sold 7½ per cent

more by volume than in the
previous three months, but im-
ported 6 per cent less by
volume. Those figures, however,
do not allow for the effects of
the dock strike.

The reduction in import
volumes is at least partly the
result of a fall in the demand
for oil. Although the price of
oil has weakened slightly, only
£205m of oil was imported in
March, compared with £263m in
February and £312m in
January.

Disinflationary statement feared:
Some Labour backbenchers
were being led to believe last
night that today's Budget state-
ment could turn out to be even
more divisive than the dispute
over Europe (Our Political
Staff writes).

Some gloomy predictions
were being made, but whether
the views were an over-reaction
or a tactical ploy to soften the
impact of some harsh measures
in the Budget will not be
known until Mr Healey makes
his speech.

The Chancellor disclosed the
contents of his statement to his
Cabinet colleagues at a two-
hour meeting yesterday, and
last night he drove to Windsor
to inform the Queen about the
Budget.

It is expected that his state-
ment today will last about two
hours.

How contentious the state-
ment proves to be will soon
be disclosed, for there will
be a full meeting of the
Parliamentary Labour Party
tomorrow.

Liberals' view, page 2
Leading article, page 15
Business News, page 17

Nomination of Mother Teresa for Nobel prize

From Roger Choate
Stockholm, April 14

The Norwegian Nobel Com-
mittee has accepted the nomi-
nation of Mother Teresa, of
Calcutta, for the 1975 Nobel
Peace Prize, it was learnt here
today.

The sponsors of the Catholic
nun, who lives and works with
the poor of Calcutta, were Mrs
Shirley Williams, the Secretary
of State for the United Kingdom,
and Mr Maurice Strong, the
executive director of the United
Nations Environment Pro-
gramme, and Lady Jackson
(Barbara Ward).

The nomination was dis-
closed in correspondence
between Lady Jackson and
Mr Olof Palme, the Swedish
Prime Minister, whose mail is
on public record. It can be
read by any journalist or mem-
ber of the public in accordance
with the Swedish press laws.

In her letter, dated February
21, 1975, Lady Jackson in-
formed Mr Palme that the
Nobel Committee of the Nor-
wegian Parliament "have
decided to nominate Mother
Teresa of Calcutta."
She asked that Mr Palme should
support the nomination, because
"support from a statesman such
as yourself... would, I am
certain, have a decisive effect
on the Nobel Committee's final
judgment."

In a brief reply, Mr Palme
told Lady Jackson that it was
not customary for the Swedish
Government, or for him per-
sonally, to express any view on
nominations.

She has also sent Mr Palme
extracts from the letter nomi-
nating Mother Teresa. In it the
sponsors said that more and
more agencies "have
reached the conclusion that the
poorest and neediest peoples
can be helped only by work
done directly for and with
them. Mother Teresa has been
a pioneer of this approach for
25 years."

They noted that 1975 was
International Woman's Year,
adding that "the Nobel Peace
Prize is rarely awarded to a
woman".

Severe casualties as Beirut battle rages

From Paul Martin
Beirut, April 14

Palestinian guerrillas and
Lebanese Phalangists waged
street battles in Beirut today
as the toll in two days of fight-
ing rose to more than 55 dead
and 80 wounded.

In the Palestinian refugee
camps round the capital
guerrilla forces were put on the
alert and militiamen armed with
rocket-propelled grenades and
manning jeeps with anti-aircraft
and heavy machine guns were
stationed on the perimeters.

Across the battle lines and
barricades in the predominantly
Christian areas, where the
Phalangists have their strong-
holds, hundreds of young men
armed with machine guns,
rifles and pistols crouched in
the doorways or manned road
blocks.

Although the fighting has
been sporadic since it began
yesterday, the use of heavy
weapons, such as rocket
launchers by the guerrilla
forces, has caused most of the
recent casualties. For the past
24 hours the sound of explod-
ing rockets fired from quarter
to quarter and bombs tossed
from passing cars has rocked
the city.

Lebanese political and
religious leaders met through-
out the day in an attempt to
calm the situation. Mr Pierre
Gemayel, the Phalangist leader,
blamed the fighting on "irre-
sponsible" Palestinian guerrilla
elements. He accused them of
starting the shooting in a

Phalangist suburb yesterday, in
which more than 20 guerrillas
were killed.

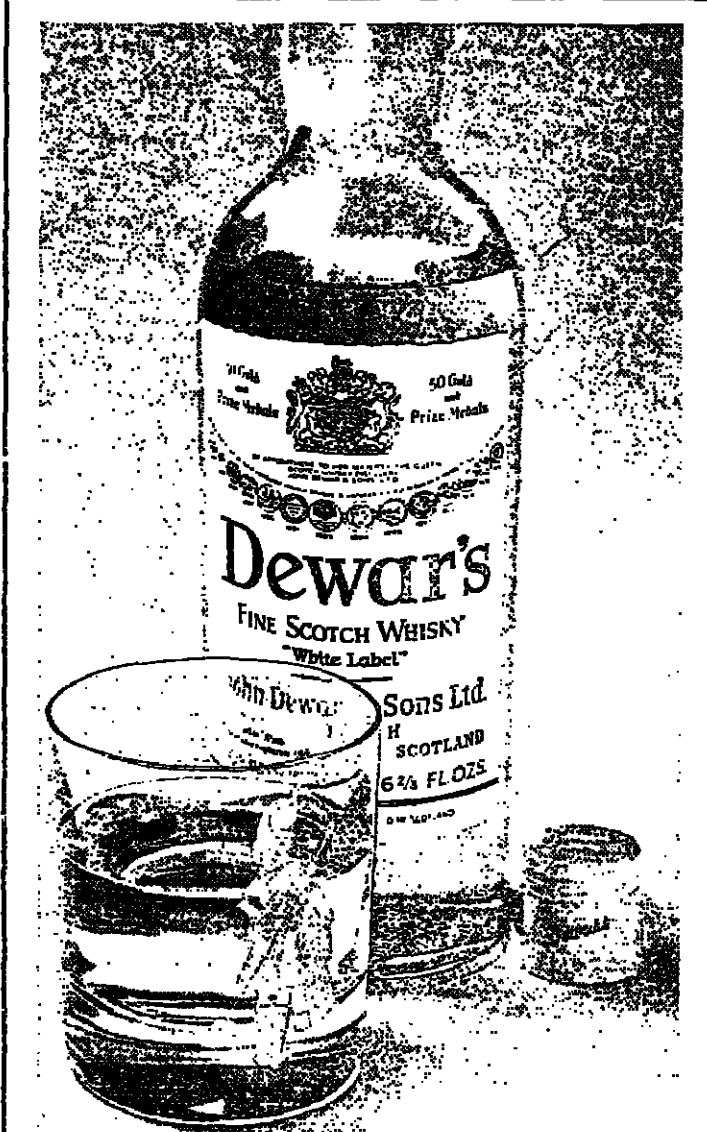
Shops and offices of op-
ponent members of the opposi-
tion were bombed during the
night and cars that tried to
go through road blocks were
raked with machine-gun fire.

Snipers from both sides often
opened fire from rooftops when
armed men from the opposing
side tried to set up barricades.
This led to widespread clashes
and street battles.

The fighting has set off a
new political crisis, with left-
wing supporters of the guer-
rillas and opponents of the
present government calling for
the removal of Phalangists from
the coalition Cabinet.

The severity of the casualties
has caused major concern about
a possible wave of vengeance
killings. The Lebanese Red
Cross and Red Crescent, the
guerrilla equivalent, have
made repeated calls for blood
donors.

New Premier
for Egypt
Cairo, April 14.—President
Sadat tonight asked Mr Man-
doud Salem, the Egyptian
Interior Minister and Deputy
Premier, to form a new Gov-
ernment. The announcement
came after a television speech
by the President promising re-
forms to improve the country's
economy.—Reuter.



Add a little
smoothness to
your day.

Blended for smoothness—it never varies.

ym resigns Tory bench post

Political Editor
ancis Pym, aged 53, has
as principal Opposition
an on agriculture after
lvised by his doctor to
a month and then take
more easily for a time.
st on the Conservative
uch has been given by
atcher to Mr Michael
aged 44, MP for West-
moreland, who has been serving
number two. Like Mr
Pym, who has represented
Leicester since a by-elec-
tion, 1961, bore heavy strains
became chief whip
the Conservative Govern-
ment, 1970-74, and when for
election he became
Secretary of State for Northern
Ireland in succession to Mr
Pym.

seum thieves Rembrandt

On April 14.—Two men,
one a Rembrandt, the other
a portrait of Elizabeth
I, valued at \$500,000
each, were stolen from the
National Gallery in London.
A museum guard who
was beaten with a

North Sea oil output setback

Continuing delays in the offshore develop-
ment programme could mean that Brit-
ain will get only between one and three
million tons of oil from the North Sea this
year. This compares with the Government's
original estimate of some 25 million tons
for 1975. If the new estimate is correct
the saving in the balance of payments
will be between £4m and £10m
compared with original forecasts of more
than £50m. Page 17

'£7m ransom' paid by Rome jeweller

Signor Giovanni Bulgari, the rich Rome
jeweller, was released by kidnappers yes-
terday after a month's captivity, amid
rumours that a record £7m ransom had
been paid. He was left tied up in a car
and his family notified of his whereabouts.
He was said to have been drugged imme-
diately after his capture. Page 5

Buzz Goodbody dies

Miss Mary "Buzz" Goodbody, aged 29, the
Royal Shakespeare Company director, has
been found dead at her London home.
Police officers took away two empty tablet
bottles. Miss Goodbody became the
youngest RSC director when she joined
the company of the age of 24. Page 16



Peter Shillan, aged 23 (above), a company
director, who confessed to a crime he did
not commit, was freed by the Court of
Appeal yesterday after serving 22 months
of a four-year sentence imposed for arson
and conspiracy. Page 3

Civil Service rises

Pay rises for civil servants of 26 per cent,
including threshold payments, were an-
nounced by the Government last night. The
agreement, which will add £28m a year to
the wage bill, was said by the Civil Service
Department to be consistent with TUC
guidelines, although it is bound to attract
Opposition criticism. Page 2

Pressure grows to end private beds

Unions in the National Health Service are
expected soon to bring their national
strength to bear in an intensified cam-
paign to end private treatment in health
service hospitals. The unions so far have
left action against such treatment to their
branches. Page 4

Communist chosen: Mr James Milne,
a communist, will be the next general sec-
retary of the Scottish TUC, it was
announced yesterday. Page 2

Moorgate inquest: When the inquest on
the 42 victims of the Moorgate Tube train
accident opened in London, Dr David
Paul, the coroner, criticized the holding
earlier of a public inquiry. Page 2

Lisbon: Leader of the Armed Forces Move-
ment, says that even an adverse vote in
the election would not deflect Portugal
from socialism. Page 5

Washington: Britain and France are
opponents of "diplomatic blackmail" over
Concorde at Congress hearing. Page 6

Wholesale prices rose 1½ per cent in March,
according to provisional figures from the
Department of Industry. This was the same
rise as in February. Page 17

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Forecast for 5 am to midnight : London, SE, central S England, East Anglia, Midlands: Rather cloudy, rain at first, then sunny spells and a few showers; wind S veering W, fresh or strong; max temp 13°C (55°).
E, NE, central N England: Rather cloudy, showers or longer rain, bright spells early and late; wind S veering SW, fresh; max temp 12°C (54°F).
Channel Islands, SW England, S Wales: Showers, sunny intervals; prolonged rain in some areas at first, further rain in places at night; wind SW to W, strong; gale-force at times; max temp 12°C (54°F).
Outlook for tomorrow and Thursday: Changeable, rain at times, bright or sunny intervals.

WEDDAY - c. cloud; d. drizzle.

London	C	S	N	C	F
Lancaster	1	18	22	10	50
Liverpool	1	18	22	10	50
Manchester	1	18	22	10	50
Cardiff	1	18	22	10	50
Birmingham	1	18	22	10	50
Nottingham	1	18	22	10	50
Leeds	1	18	22	10	50
Sheffield	1	18	22	10	50
Edinburgh	1	18	22	10	50
Glasgow	1	18	22	10	50
Belfast	1	18	22	10	50

Overseas selling prices
Australia: 500, 1000, 2000, 5000, 10,000, 20,000, 50,000, 100,000, 200,000, 500,000, 1,000,000, 2,000,000, 5,000,000, 10,000,000, 20,000,000, 50,000,000, 100,000,000, 200,000,000, 500,000,000, 1,000,000,000, 2,000,000,000, 5,000,000,000, 10,000,000,000, 20,000,000,000, 50,000,000,000, 100,000,000,000, 200,000,000,000, 500,000,000,000, 1,000,000,000,000, 2,000,000,000,000, 5,000,000,000,000, 10,000,000,000,000, 20,000,000,000,000, 50,000,000,000,000, 100,000,000,000,000, 200,000,000,000,000, 500,000,000,000,000, 1,000,000,000,000,000, 2,000,000,000,000,000, 5,000,000,000,000,000, 10,000,000,000,000,000, 20,000,000,000,000,000, 50,000,000,000,000,000, 100,000,000,000,000,000, 200,000,000,000,000,000, 500,000,000,000,000,000, 1,000,000,000,000,000,000, 2,000,000,000,000,000,000, 5,000,000,000,000,000,000, 10,000,000,000,000,000,000, 20,000,000,000,000,000,000, 50,000,000,000,000,000,000, 100,000,000,000,000,000,000, 200,000,000,000,000,000,000, 500,000,000,000,000,000,000, 1,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000, 50,000,000,000,000,000,000,000, 100,000,000,000,000,000,000,000, 200,000,000,000,000,000,000,000, 500,000,000,000,000,000,000,000, 1,000,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000,000, 50,000,000,000,000,000,000,000,000, 100,000,000,000,000,000,000,000,000, 200,000,000,000,000,000,000,000,000, 500,000,000,000,000,000,000,000,000, 1,000,000,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000,000,000, 50,000,000,000,000,000,000,000,000,000, 100,000,000,000,000,000,000,000,000,000, 200,000,000,000,000,000,000,000,000,000, 500,000,000,000,000,000,000,000,000,000, 1,000,000,000,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000,000,000,000, 50,000,000,000,000,000,000,000,000,000,000, 100,000,000,000,000,000,000,000,000,000,000, 200,000,000,000,000,000,000,000,000,000,000, 500,000,000,000,000,000,000,000,000,000,000, 1,000,000,000,000,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000,000,000,000,000, 50,000,000,000,000,000,000,000,000,000,000,000, 100,000,000,000,000,000,000,000,000,000,000,000, 200,000,000,000,000,000,000,000,000,000,000,000, 500,000,000,000,000,000,000,000,000,000,000,000, 1,000,000,000,000,000,000,000,000,000,000,000,000, 2,000,000,000,000,000,000,000,000,000,000,000,000, 5,000,000,000,000,000,000,000,000,000,000,000,000, 10,000,000,000,000,000,000,000,000,000,000,000,000, 20,000,000,000,000,000,000,000,000,000,000,000,000, 50,000,000,

HOME NEWS

Director who spent 22 months in jail freed on appeal

by Clive Rowell

A young company director who confessed to a crime he did not commit, so that he could be freed from police custody, has been cleared in the Court of Appeal yesterday. He had served nearly half of a four-year prison sentence.

The case of Peter Charles Shillan, aged 23, of Burgess Road, Cleeve, Shropshire, ended in handshakes and celebration in a public house opposite the court. He said it has been like living a nightmare.

Mr Charles Shillan, his father, spent more than £4,000 of his savings to prove his innocence. Mr Bernard Rayner, a private detective, discovered witnesses to prove his alibi.

Lawyers for Mr Shillan are considering steps to secure compensation for Mr Shillan, one of his costs will come from legal aid.

Convictions of arson and conspiracy to defraud an insurance company were quashed by Lord Widgery, the Lord of Justice, Mr Justice Ashurst and Mr Justice May.

Mr Brian Ames, QC, for Mr Shillan, said: "This appeal is another example of wrong conviction whereby a young man of wholly good character served 22 months of a son sentence in respect of a crime he did not commit, and a crime that was never committed by anyone."

Mr Shillan, he added, secured warehouse premises in London in December, 1972, where he planned to store his goods for distribution to his clients. On December 21, his warehouse was destroyed by a fire.

Mr Shillan first sought to challenge his conviction last March, but the Court of Appeal refused him leave to appeal.

Mr Jenkins, the Home Secretary, became concerned about the case and ordered the Chief Constable of Humberside to carry out an independent investigation to check Mr Shillan's alibi.

Last week, after reading their report, Mr Jenkins ordered that Mr Shillan should be freed from prison and referred the case back to the Court of Appeal.

At the trial, Mr Shillan was interviewed and told the case he had been with a girl and at the time of the fire, he was with a girl.

Mr Shillan's company was interviewed on New Year's Day by the police. Mr Shillan continued, and was told a Det Sergeant Smith that

"his statement was nonsense and that unless he came up with something better he would be locked away until Friday."

Sergeant Smith then made wild allegations and threatened to lock him up in the warehouse to defraud the insurance company.

He was suffering from a hangover and was frightened and confused, counsel said. After being locked in the cells, he made a statement of a different story.

The statement implicated Mr Shillan, who was seen later by Sergeant Smith and a constable at his home, where he was in bed suffering from influenza.

Mr Ames said: "He was told he was going to the police station and was asked the services of a solicitor. He was allowed to dress only in a pair of slacks, a sweater, and shoes and no socks, despite his fever."

He was taken to the police station, where an in-depth interrogation started. He was told that he would be held.

After being told that bail could be arranged, he made a short statement in which he said that he and Mr Pearce set fire to the warehouse.

At Lincoln Crown Court in May, 1973, Mr Pearce, who had been advised by counsel that "the prospects of acquittal were hopeless", pleaded guilty and was sent to prison. Mr Shillan denied the charges and was sent to prison for four years.

At the trial, Mr Albert Jessup, a car delivery driver, was available to give evidence for the defence but said he was given a lift by Mr Shillan 17 miles away on December 21. Later he changed his mind about the date and confirmed that it was the day of the fire.

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April, the first camel to be born at Windsor Safari Park, with its mother, Maxi.

Seven years for plotter in Mafia swindle

Ronald St Germain, aged 31, a Canadian millionaire, said to be the "front man" in an international Mafia swindle, was jailed at the Central Criminal Court yesterday for seven years on being convicted of plotting to steal \$300,000 through a forged cheque.

Also jailed, for four years each, were two other men said to be living in fear because of their involvement in the plot.

Judge Gillis, QC, said Mr St Germain was an evil influence. He made a criminal bankruptcy order against Mr St Germain in a move to recover £100,000 missing through the plot.

The other jailed men were William McCallum, aged 42, of Half Moon Street, Westminster, and Frank Brockley, aged 47, of no fixed address. All three were convicted of conspiring with unknown people to steal money from Barclays Bank in Lombard Street, through a cheque forged on the Royal Bank of Canada in Montreal for \$500,000.

The prosecution had said that Mr Brockley was in fear of his life after being held hostage on the twenty-seventh floor of the London Hilton hotel.

A Canadian not before the court, known as "the animal" because of his brutality, threatened to throw Mr Brockley out of the window if other gang members did not cooperate. Mr Brockley had told the police: "It's a matter of time before they get me."

Det Supt Raymond Connor said a powerful, ruthless syndicate was behind the swindle. Det Inspector John Stevens, asked in court what he understood that to mean, replied: "Mafia, Cosa Nostra. Ruthless people with great resources; ruthless to the extent of assassination."

Police officers called to a Sikh temple at Wolverhampton after a Sunday morning service had broken up in disorder found 200 people in an atmosphere of fear and panic blocking the road, a jury at Shrewsbury Crown Court was told yesterday.

Mr Michael Pratt, for the prosecution, said that the fight arose from an argument over the election of officers. Weapons used included a flower vase, milk bottle, saw, a musical instrument and a microphone stand.

Ten Indians from the Wolverhampton area have pleaded not guilty to fighting and causing an affray at the temple in Cannock Road, Wolverhampton, on May 12 last year. Five of them also deny wounding.

The trial continues today.

Comprehensives: The rebel authorities—2
Attempt to 'call minister's bluff'

By Tim Devlin

Education Correspondent

If the Government passes a law to enforce comprehensive schools, Buckinghamshire's Conservative councillors will not prove rebellious. "We are reasonable men," Mr John Campbell, chairman of the county's education committee, told me. "We are not going to disobey the law."

His predecessor, Lord Howe, a descendant of the admiral who won the battle of the glorious first of June in 1794, said: "If Mr Prentice legislates, we shall have to do what he says. I am only hoping that he is not going to do anything quite so stupid."

The battle to call the Education Secretary's bluff begins on Friday, when a deputation of five from the county meet Mr Prentice and Mr Armstrong, the Under-Secretary of State, in the department's offices at Waterloo. Buckinghamshire was the first authority to defy the Government's request to end selection. Its leaders are the first to be summoned to Queen Elizabeth House.

There is little chance of any deal or compromise emerging from the meeting. That avenue was explored last Wednesday in a private session when Mr Campbell and Mr James Ireland, chairman of the county council, met Sir Meredith Whitaker and Mr A. C. Hetherington, chairman and secretary respectively of the County Councils Association.

The association, concerned about the effects on the children of a dispute about education, had hoped to bring about a settlement. It found that it was too late. Buckinghamshire will not buckle unless and until Mr Prentice invokes the full force of the law.

The dispute could develop into one of the bitterest educational wrangles of the century concerning just how much power central government has to intervene and to prevent a local education authority from running its affairs in what it regards as the best interests of the children.

Buckinghamshire has been one of the fastest-growing counties in England. It has acquired control over the new town of Milton Keynes (the only part of the county to go comprehensive, with six schools and a sixth of the secondary school population); Aylesbury has become a London overspill town, and the rich stockbroker community help has extended along the Underground line to Amersham into the leafy parts of the county.

The secondary school roll in the three quarters of the county that has not gone comprehensive is likely to grow by another 5,000 to 30,000 by 1980.

The schools, particularly in the south of the county, are overcrowded. Many are full to capacity even with mobile classrooms and temporary huts.

There are plans to extend eight schools, five of them grammar schools. Schemes to enlarge Sir William Borlase's School, Marlow, and Dr Challoner's boys' school, Amersham, two old and venerable grammar schools, were submitted in last year's building programme. Not surprisingly in view of Buckinghamshire's defiance, the Government has not approved them. Nor is the Government likely to approve other extensions which in all would provide only a fifth of the estimated places needed by 1980.

Circular 4/74, calling on authorities to introduce comprehensive education, said that no authority would be able to spend money on developing schools in a selective system.

County education officials said last week that if the grammar school plans are not approved there would be no alternative but to lower the percentage of the county's children being selected for a grammar school education. About 28 per cent of the 8,000 children who take the examination at the age of 12 are successful.

That means that children who would normally have been judged bright enough to go to a grammar school will have to go to a secondary modern, where there will be very little opportunity to take A levels and in some cases, a very restricted choice at O level.

It means that some children will not be able to join their elder brothers and sisters, even though they are equally bright. Tomorrow: Essex.

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Kingston denies 'deal' over schools

A suggestion in The Times yesterday that Kingston Borough Council, Surrey, was about to make a deal with the Government to go comprehensive in return for a few years more of selection and a £3m scheme to improve some of its secondary schools has been hotly denied by Mr William Marshall, chairman of the education committee.

He said the council had asked Mr Prentice, Secretary of State for Education and Science, to receive a deputation so that it could put its case for maintaining selection within the present system.

Mr John Gibbs, the chief education officer, said that on no occasion had anyone in the education department made any statement that Kingston was about to make a deal with Mr Prentice.

Mr John Bishop, chief executive of the council, said that the council was about to make a deal with the Government. He added that they had recently asked the secretary of state to receive a deputation to present their point of view and they had just heard that Mr Prentice was agreeable. The meeting would probably take place early in May, he said.

The council on March 25 had approved a resolution to inform Mr Prentice that it was unable to comply with circular 4/74, which called on all local authorities to go comprehensive.

regional headquarters. The circular says that in the event of a war information and guidance would also be directed towards improving morale and countering defeatist and alarming rumours.

The timing of switching to the three stages of warning will be a political decision. It is known that during the Cuba crisis in 1962 Whitehall was pressed by local authorities and civil defence officers for some decision on whether to put plans into operation. No decision was given.

In the light of that experience, some civil defence planners are critical of the circular and have told the Home Office that its assumptions overlooked questions such as a pre-emptive strike. For several years there have been arguments about whether advice should be issued to the public on a permanent basis in the form of booklets.

Before war breaks out, a special wartime broadcasting service would send out a single radio broadcast. There would be "for morale purposes an entertainment element".

The BBC has a network of transmitters and generators for a wartime system linked to regional governments and sub-

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In the light of that experience, some civil defence planners are critical of the circular and have told the Home Office that its assumptions overlooked questions such as a pre-emptive strike. For several years there have been arguments about whether advice should be issued to the public on a permanent basis in the form of booklets.

Before war breaks out, a special wartime broadcasting service would send out a single radio broadcast. There would be "for morale purposes an entertainment element".

The BBC has a network of transmitters and generators for a wartime system linked to regional governments and sub-

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HOME NEWS

Unions likely to step up campaign against private beds in NHS

By John Roper
Medical Reporter

Increasing pressure by trade unions on the Government to remove private beds from National Health Service hospitals is imminent.

So far, the unions, notably the National Union of Public Employees (Nupe), have left it to its branches to take action against private treatment in hospitals. But last night a Nupe official said it was likely that a harder line would be taken soon by the whole union.

The Confederation of Health Service Employees (Cohese), which, like Nupe, opposes private practice in the health service, has held back from industrial action. It too wants to know within the next few weeks what the Government will do and its executive will meet on May 8 to decide what action to take.

An official said: "Any action we take will be organized nationally and will not be on a here-and-there local basis."

No timetable for the removal

of private beds has been agreed and the Government has postponed a survey of private practice in hospitals.

Mr Ronald Pearson, of Portsmouth, a hospital porter who is also a Nupe convener, disclosed that he had been struck off his doctor's list after speaking at a meeting against private patients in health service hospitals. As a result instructions went out from the union's area office to branches in Hampshire, Oxfordshire, Buckinghamshire, Berkshire, and the Isle of Wight to "get private patients out of the hospitals or into NHS beds".

Mr Pearson said yesterday that he had been told that his son, aged six, could jump a three-year waiting list for an operation to remove his tonsils by paying £30 to have it done privately.

Doctor's denial: Dr Ian McLachlan, who was Mr Pearson's doctor, said last night that Mr Pearson's removal was nothing to do with private patients. "I am contracting my list and others have also been cut off the list," he said.



Mr David Frost, Miss Jacquie Butlin, daughter of Sir Billy Butlin, and Mr William Whitelaw, MP, at a Variety Club ladies' luncheon in London yesterday.

Corrections

The Trade Union and Labour Relations (Amendment) Bill is to be debated today in the House of Lords and not in the House of Commons on Thursday as stated in a news agency report yesterday.

Mr Robert Carr, a former Conservative Home Secretary, is a member of the Committee of Privy Counsellors on ministerial matters, and not Mr Francis Pym as stated on Saturday.

National Front ban

The National Front was banned for six months yesterday from Conway Hall, Red Lion Square, Holborn, after disruption of an anti-EEC meeting there on Saturday.

Scottish Development Agency with wide powers to be set up with £200m

By Our Political Staff

A Scottish Development Agency backed initially by £200m is to be set up under a Bill published yesterday by Mr Ross, Secretary of State for Scotland. Up to £200m is earmarked.

The agency will be given wide powers: to take shareholdings, form companies, make loans, acquire land by agreement or compulsorily, manage and sell land, erect buildings,

reclaim land from the sea, and provide advisory services. The Secretary of State will be empowered to give it general and specific directions and to call on it to exercise his functions of regional selective assistance under section 7 of the Industry Act.

There will be a chairman and from six to 12 members appointed by the Secretary of State. The first chief executive will also be appointed by St Andrew's House.

The Scottish Development

Agency Bill provides for the transfer to the agency of the staff and functions of the Scottish Industrial Estates Corporation and of the Small Industries Council for Rural Areas of Scotland. It also requires the Secretary of State to appoint a Scottish industrial development advisory board, and allows him to finance air transport services in the Highlands and islands.

Mr Ross announced yesterday that the Government is to open negotiations with Logansair on financial help for its operations.

Prisoners use hooks in escape

Two men escaped from Ranby prison, near Retford, Nottinghamshire, yesterday by using steel hooks to scale the high wire fence surrounding the jail.

Policemen with dogs were searching for Frank William Rack, aged 27, of Hainton Avenue, Grimsby, and David Christopher Mason, aged 23, of Capfields Avenue, Ockerhall, near Tipton, Staffordshire. Neither man is considered dangerous.

EEC REFERENDUM

Tories seek vote for UK citizens abroad

By George Clark
Political Correspondent

Conservative backbenchers protested in the Commons yesterday at the Government's failure, so far, to give an undertaking that United Kingdom citizens resident abroad shall have the right to vote in the EEC referendum on June 5.

Mr Short, Lord President of the Council, who is in charge of the government arrangements, said that people abroad who were on the electoral register in the United Kingdom would have the right to vote by proxy, but to extend the vote to all United Kingdom citizens abroad would be difficult.

"Any scheme which could be worked out would be very makeshift, a very Heath-Robinsonish affair and full of holes. There would be a great risk of bringing the whole of our electoral machinery into disrepute."

There were cries of "tax dodgers" from some Labour left-wingers when Mr Robert Adley, Conservative MP for Christchurch and Lynton, pressed the case for allowing all British subjects abroad to vote at United Kingdom embassies, consulates and high commissions.

He said the Government had emphasized that this was a unique occasion. There was no reason why people abroad who were not registered should not vote, provided they had the right of abode in the United Kingdom.

Labour MPs cheered when Mr Short said that many British people had "turned their backs on this country" and now lived on the Costa Brava, in Moka and elsewhere.

Another Conservative pointed out that citizens of the Republic of Ireland living in the United Kingdom would have the right to vote.

Mr Short admitted that there were many difficulties. Nevertheless, he said, the whole question would be looked at again this week.

Mr Maurice Macmillan, Conservative MP for Farnham and a former Minister of Labour, has tabled amendments to the Referendum Bill to change the question put to voters.

He wants the ballot form to

state: "The United Kingdom is a member of the European Community in accordance with treaties duly ratified. The House of Commons has approved the Government's recommendation to continue the United Kingdom's membership of the Community on these terms. Do you think that the United Kingdom should now ignore its treaty obligations and leave the European Community (the Common Market)?"

Mr Macmillan also wants to change the Bill to make it plain that the referendum is consultative and the result "shall in no way be held to bind this present or any future Parliament or any individual member thereof."

Mr Nicholas Ridley, Conservative MP for Cirencester and Tewkesbury, is proposing a similar safeguard clause and wants a separate question for people to state that they believe the decision should be left to Parliament.

The National Referendum Campaign confirmed yesterday that by a decision of the all-party executive, representing most groups opposed to Britain's membership, it had refused to allow the National Front or the Communist Party to be affiliated to the organization though individuals belonging to those parties were assisting in the campaign.

A group called "Communists for Europe" has been lobbying anti-EEC meetings in London but it is not recognized by Britain in Europe, the umbrella organization for pro-European organizations.

In a statement distributed at a Tribune group meeting, the Communists for Europe stated: "We have become convinced that it is in the interests of the working class to remain in the EEC for its material and political advancement."

The arguments of the anti-Marketters are at best spurious and at worst dangerous in that they lend support to petty and introverted nationalism. The group is organizing a special meeting in the Co-operative Hall Seven Sisters Road, north London, on April 26, when the Labour Party special conference on the referendum is being held in the Michael Sobell Centre near by.

Parliamentary report, page 8

Reply to Mr Benn's four key questions

Britain in Europe, the umbrella organization of pro-EEC groups, last night replied to the "four key questions" posed by Mr Benn, Secretary of State for Industry, at a Tribune group rally in Glasgow on Sunday.

Replying to his main question about the proposed common energy policy and its possible effect on North Sea oil and gas, Britain in Europe quotes the White Paper.

The Community has started to establish a common energy policy. The Government welcome this work provided that it is conducted in a manner which they will never allow it to develop in ways which could threaten our own ownership or control over our own natural resources. North Sea oil and gas, for example, and the commission have made it quite clear that this is no part of that purpose.

In its main reply, the organization says: "The common energy policy is still being evolved. What it will mean for North Sea oil and gas (Mr Benn's words) will be what the British Government agrees it should mean through the decisions of the Council of Ministers."

Replying to another question, the organization says that the commission will not assume control of the rate of depletion of those resources. The next question was: "Will the Treaty of Rome be applied to the continental shelf and precisely where legal powers will this give the commission?"

The answer by the commission is a matter of public record. This said the commission considers that the provisions of the Treaty and the acts of the Community pursuant to the treaty clearly specify the sovereign rights enjoyed by each state over its natural resources below its continental shelf and in particular over the exploitation and exploration of oil resources. It follows that each natural resource belongs entirely to the member states concerned.

Mr Benn also asked: "Will we be allowed to discriminate in favour of home-based industries by permitting them access to this oil at more favourable prices than we charge for exporting it?" No. Such discrimination would not be compatible with the obligations of membership.

Restrictions offend immigrant doctors

By Neville Hodgkinson

A serious rift is threatened in the medical profession over the recent agreement on free movement of doctors within the EEC. Immigrant doctors in Britain who qualified abroad have been hurt to discover that they are excluded from the agreement, even though they may be British citizens fully registered as practising physicians in this country.

Unless the draft directives giving effect to the agreement are changed, immigrant doctors' associations are planning to appeal against them to the European Commission, on the ground that they conflict with principles of non-discrimination fundamental to the Treaty of Rome.

The exclusion of doctors educated overseas came to light in a letter from Dr Alan Rowe, chairman of the British Medical Association's committee on the EEC, replying to a request for information from Dr Akram Sayeed, a Leicester GP who is chairman of the Standing Con-

ference of Asian Organizations in the United Kingdom. Dr Rowe wrote:

"The medical directives governing free circulation of doctors and freedom of establishment apply only to nationals of member states who have obtained a primary qualification in a member state."

A doctor who is a national of a member state but whose primary qualification was obtained outside the EEC will be eligible to benefit under the EEC-doctors directives only if he requalifies in a member state."

Dr Sayeed said yesterday: "We are taking a very serious view of this, inasmuch as we are being treated as second-class citizens."

"It is particularly serious for Britain, where the percentage of overseas doctors is so high. Nearly a third of the doctors practising in Britain have been excluded from the freedom of movement given to the rest."

Officials of the medical societies, representing doctors

from India, Pakistan and Bangladesh decided on Sunday night to form an action committee on the issue.

"We want to find out what steps the BMA has taken and is taking to safeguard the interests of Commonwealth-born doctors and overseas doctors who are British citizens by registration or naturalization," Dr Sayeed said.

If these are not sufficient, we will have to start a body of our own and approach the British Government and the EEC Commission in Brussels."

Dr Elston Grey-Turner, deputy secretary of the BMA, said yesterday that the British delegation at the EEC talks had raised the matter of doctors who qualified outside the Nine, but the general feeling in Europe had been that the line had to be drawn somewhere, and that they would have to be excluded from the arrangements.

The directives are likely to come into force towards the end of next year.

MPs taunt Mr Varley over energy pact

By Our Political Editor

One of the anti-EEC Cabinet ministers was taunted by both sides of the Commons yesterday when he announced that, without immediate parliamentary procedure, the Government had signed an agreement on an international energy programme.

Under questioning, he conceded that all international agreements involved some derogation of sovereignty, and won an unsought burst of laughter from the House.

Mr Varley, Secretary of State for Energy, said the Government intended before May 1 to notify the Belgian Government, as the depositary power, of its formal consent to be bound by the agreement.

He added that he hoped to introduce permanent legislation in the next session. Meanwhile, the Fuel and Electricity (Control) Act, 1973, contained sufficient powers to fulfil those parts of the agreement requiring governmental direction. If necessary, an order would be laid for the renewal of that Act to fill any gap before the Bill was carried.

Mr Patrick Jenkin, Opposition spokesman on energy, Mr Arthur Palmer, a Labour specialist on energy, and Mr Noech Powell all attacked Mr Varley of the contrast between his announcement and his views on the loss of sovereignty under the EEC legislation.

Parliamentary report, page 8

Irish fishermen's blockade of ports delays ships

From Our Correspondent

Irish fishermen began a 36-hour blockade of six ports in the republic yesterday. They are campaigning to stop imports of cheap fish from non-EEC countries and demanding temporary assistance to offset trawler operating costs.

In Dublin a Liberian freighter, the 3,500-ton Seaspeed Challenger, broke the blockade by manoeuvring through about 30 trawlers lining the main channel entrance. The Challenger operates a freight service to Barry, South Wales.

Other vessels were held up, but the ferry Munster, carrying about 300 passengers and 60 cars, was allowed through.

Mr Justice Kenny was told in the Irish High Court yesterday evening that the blockade of Dublin Bay had disrupted trade at the docks. He granted a temporary injunction to the Dublin Port and Docks Board to prevent trawlers from impeding the shipping channel, and directed that notice of the making of the order should be notified to the defendants by telegram, radio, or other means of telecommunication. They would be in contempt of court if they evaded the order.

The other ports blockaded were Drogheda, Arklow, Waterford, Galway and Bahrly Bay, where a 300-ton tanker was affected and a smaller tanker was unable to get out.

Import duty on tomatoes reduced after protests

An EEC import duty on tomatoes is to be cut by about a third from today after a week of protest by British and European importers.

The National Housewives' Association yesterday urged housewives to boycott tomatoes in view of steep price increases caused by an EEC decision last week to impose a temporary import duty on tomatoes from non-EEC countries.

The duty would make tomatoes so dear for the next few weeks, the National Federation of Fruit

and Potato Trades said yesterday.

Mr Mathew Mack, president of the federation, said: "Unless this duty is suspended, or drastically reduced, we can only foresee a shortage of cheaper, outdoor Spanish tomatoes."

The duty, imposed to protect EEC growers from cheap Spanish tomatoes, will still add about 7p a pound for Spanish tomatoes.

The federation has made a strong submission to Mr Peart, Minister of Agriculture.

Manchester firms renew their support

From Our Correspondent

Manchester. Renewed support for Britain's remaining in the EEC has come from Manchester Chamber of Commerce and Industry. Mr Kenneth Millicap, its president, said yesterday that the country would be living in a "fool's paradise" to ignore the advantages of preferential trade with its partners in Europe.

Speaking at the chamber's annual meeting, he said his board had said at the time of Britain's entry that it was unanimously in favour, and its

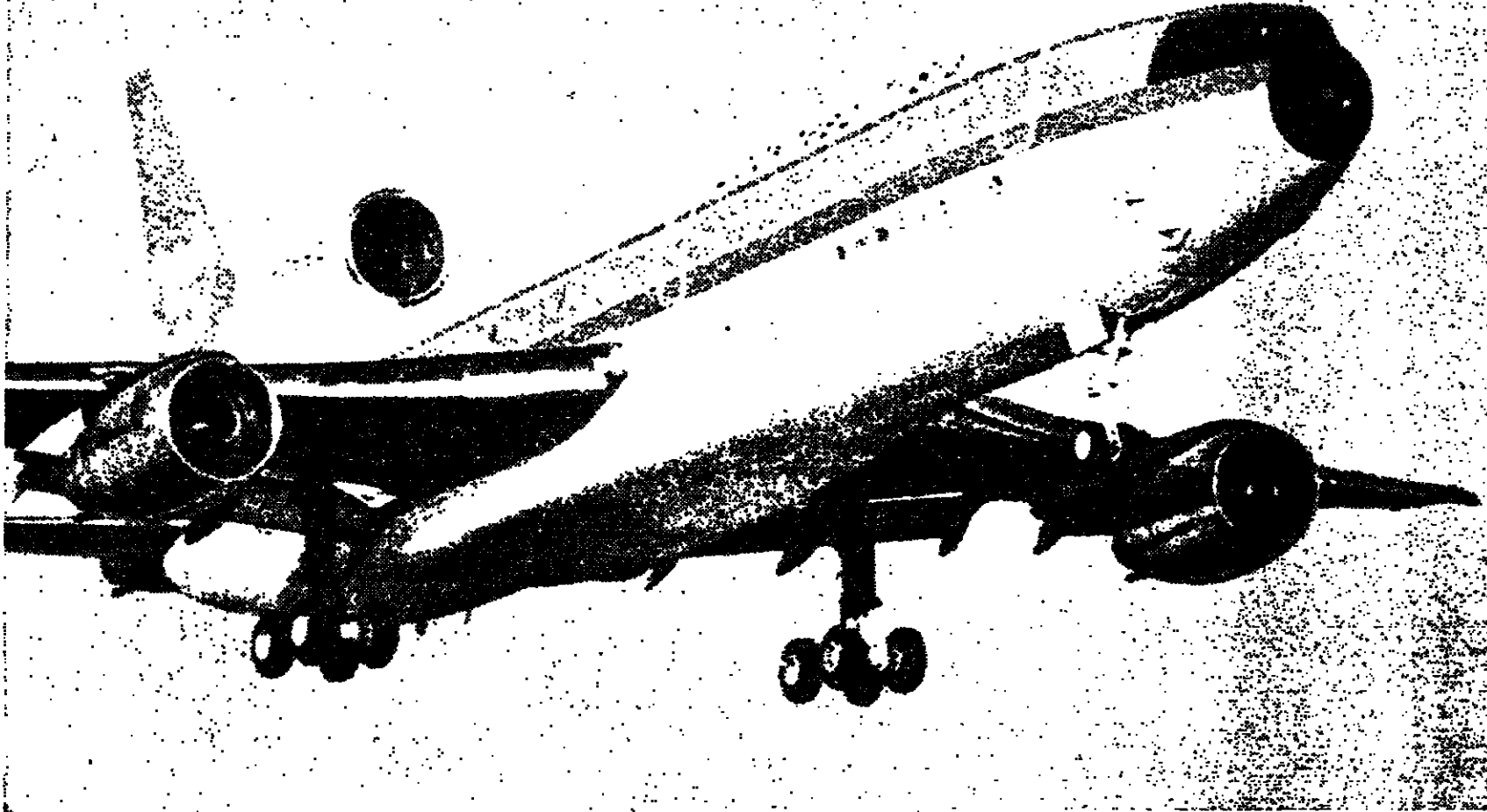
views had since been strengthened as it "looked round in vain for any possible alternatives."

"Our members have traded overseas for the 155 years of the chamber's history, and longer, and will continue to trade with distant countries, including those of the British Commonwealth," he said.

The EEC countries imported and exported a total of £2,000m worth of goods a year, which was far less than the largest and strongest trading block in the world. "We live

by our trade, and only with this unity and strength have we any chance of maintaining anything like the present level of employment," he said.

Mr Millicap called for drastic cuts in current and future government expenditure because of the depressed state of the textile industry in the North-west. "There are obviously difficulties in this course of action, not least the EEC arrangements and the possibility of competition from the countries who supply the cheap textiles," he said.



The Lockheed L-1011 TriStar.

The most reliable big jetliner in the world.

Based on airline reports, the Lockheed L-1011 TriStar fleet has achieved a standard of reliability never reached by any other wide-body aircraft.

Its on-time departures have been exceeding 98%. And before it reached that unequalled level, its dispatch reliability — another name for on-time departures — was already over 97%.

U.S. Government figures also put TriStar ahead in another area. TriStar was certificated as the world's quietest

big jet by the U.S. Federal Aviation Administration.

Six of the Free World's ten largest airlines — based on passengers carried — have chosen TriStar. And recently Saudi Arabian Airlines, Cathay Pacific Airways and Gulf Air ordered a longer range version.

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Lockheed L-1011 TriStar

WEST EUROPE

Adverse vote will not deflect Portugal from socialism

From Nicholas Ashford, Lisbon, April 14

One of the most influential members of Portugal's ruling coalition, the Movement for the People (MFP), Admiral Rosa Coutinho, said here today that the country would remain on a socialist course for the foreseeable future even though it might be against the wishes of the majority of the population.

In an interview with two foreign correspondents, Admiral Coutinho was asked what would happen if the Portuguese people showed their disapproval in the forthcoming elections for a Constituent Assembly that they did not favour a continuation of the socialist system in Portugal.

He replied that the country, which had suffered 50 years of dictatorship, would continue to follow the socialist road, in spite of the fact that it was a transitional period during which the armed forces will remain in power. However, the people would be able to operate a change once the country turned to civilian rule.

Admiral Coutinho, who has been the prime mover behind the idea to create a new political organization, said he would be aligned to the left.

What he had in mind, he said, was "a broad coalition of forces where the MFA could find a counterpart on the left side."

He envisaged that such an organization could embrace the Marxist parties like the Portuguese Democratic Movement (MDP), the Movement of Socialist Left (MESL), the

'Ransom of £7m' paid to release jeweller

From Our Own Correspondent, Rome, April 14

Signor Gianni Bulgari, a Roman jeweller kidnapped a month ago, returned home in the early hours of this morning after the rumoured payment of the colossal ransom of £10,000m lire (£7m).

There is no confirmation from the family of the size of the ransom nor of the additional rumoured detail that it was paid in two instalments outside of Italy, probably in Switzerland.

Signor Bulgari was said to be in resuscitator good health after his long imprisonment. He had a slight bullet wound on his right arm, the result of the struggle with his assailants when they stopped his car in central Rome on March 13 and made off with him.

He is believed to have been drugged as soon as he was captured and taken to a flat which he thought was in Rome. He had no window. He was fed regularly but he never saw the faces of his captors. When they entered his room, he had to place a hood over his head.

The rumoured ransom figure is the highest so far in this highly profitable type of crime, which is becoming a regular part of the Italian scene.

Signor Bulgari was left late last night with his mouth and eyes covered with plaster and his arms and legs tied, in a small Fiat apparently stolen for the purpose. His family were informed where to find him.



Signor Gianni Bulgari, an Italian jeweller, appeared thin and weary after his release by kidnappers in Rome.

General Massu joins in Algerian entente

From Charles Hargrove, Paris, April 14

General Massu, the paratroop commander and former commander of the Algiers military region during the war against the Nationalists, declared on the radio today: "I shall be very happy to shake M. Boumedienne's hand. I shall even go back to Algeria with pleasure, if he invites me."

He was referring to the acceptance by the Algerian leader of President Giscard d'Estaing's invitation to pay a state visit to France at an early date.

General Massu, whose defence of the use of torture in his book *La Vraie Bataille d'Alger* provoked a violent controversy when it was published four years ago, added that he felt a debt towards the country. "I have got Algeria in my bones. I shall always be happy to work for it."

He did not have any misgivings about his role in the battle of Algiers for he had waged without hatred a war which had been imposed upon him. Asked about his reputation as a "torturer", the general, now retired, said that "the insults of which I am the victim are ridiculous", when others had been rehabilitated.

"I lacked a lot of information which De Gaulle possessed," he went on. "I had confidence in him, while suffering from his decision (to give Algeria independence) and regretting that he did not tip a wink to us about it in 1958. Had I known as soon as I arrived there, that one could not reckon with the integration of Algeria with France, we would have recruited fewer harkis and done a number of things we did not do."

The "harkis" are the former Muslim volunteers with the French forces, 250,000 of whom now live in France in difficult material and psychological conditions. They are not allowed to go back to their country by the Algerian Government, which regards them (or did until recently) as traitors and their families are not permitted to join them in France.

They are one of the more delicate problems M. Giscard d'Estaing was due to raise on his visit, but there was no confirmation that he did.

General Massu added that he had adopted two Algerian children. He would be happy to return to Algeria so long as he was certain not to be locked up in some dungeon. "I am sure," he concluded, "that M. Boumedienne and the other Algerian leaders have of me a very different opinion from some circles in France."

The entire French press today, even right-wing newspapers like *L'Aurore* which have been very outspoken in their criticism of the Algerian Government and in their support of the demands of the *peuple noir*, for proper compensation, emphasized the fact that M. Giscard d'Estaing's visit really marks a new start in relations between the two countries.

Special significance is attached to the spontaneous gesture of the Algerian President in accompanying his guest back to the French Embassy after the last round of private talks on Saturday morning.

Renault workers in vote on dispute

From Our Own Correspondent, Paris, April 14

Workers at the Le Mans plant of Renault were voting today on whether to accept the management's compromise offer and so put an end to one of the longest industrial disputes in France's leading car firm has ever known.

Acceptance would end nine weeks of constant trouble which have brought the loss of more than 60,000 vehicles and frequent strikes or enforced idleness for the men. The compromise offer only emerged after a 12-hour negotiating session between the Renault management and the car workers' union leaders, ending today at 4.30 am.

The union leaders declined to recommend publicly that the men should say "yes", abandoning the work to rule procedure at Le Mans, which has been at the root of the dispute.

However, by offering a monthly increase to all Renault workers of 140 francs (about £14) back dated from March 1 against the 48 francs envisaged last week, and by dropping its insistence that production must become completely normal at Le Mans beforehand, the management has opted for making significant concessions. Earnings lost through the shut down of plant will be compensated up to 50 per cent in all plants, except Le Mans, where it will be only 35 per cent.

and election results boost Bonn coalition morale

From Dan van der Vat, Bonn, April 14

West German Opposition leaders realized they will have a fight hard, after all, in next year's federal elections after a surprise on last night's prize state poll results from Schleswig-Holstein.

Christian Democrat politicians met in the Land capital Kiel, as well as in Bonn, to discuss the implications of the decline in their support ordered anywhere since the last general elections in November.

Until yesterday's vote for the Parliament in West Germany's northernmost Land, it began to look as if even a rebound in its support could be expected from the election in November, 1976, and only that it wore a rosette.

In every regional election since 1972, the Christian Democrats made impressive gains, the ruling coalition of all Democrats (SPD) and Democrats (FDP).

Yesterday, the Christian Democrats got 50.4 per cent of total vote, compared with 49.6 per cent in the last Land parliamentary elections four years ago.

The Social Democrats got 49.6 per cent, a negligible drop from 50.4 per cent in 1971.

It was the most spectacular of fortunes affected the Democrats who, by scoring

problems for Nine set by third World's products

From Our Own Correspondent, April 14

After the "Lomé Convention", giving 46 African, Caribbean and Pacific developing countries access for their chief exports to the markets of the how must the European Community rethink the Common Agricultural Policy?

It was the central problem issued for two days by agricultural experts, farmers, politicians, and young people at a round table organized by the Association for the study of the problems of the world which has just ended.

Hans-Broder Krohn, the Commission's director of development and co-operation, and as chief architect of the Lomé Convention, the of the gathering gave a message that the EEC's credit towards the developing countries turned on their now the African, Caribbean and Pacific countries' export and accepting the consequences for Europe's own agriculture, only would agriculture be affected so would industries in Europe, such as textiles, he said.

Real, soya and maize were crops which certainly European agriculture should develop for the longer, and not for intermittent "astrophysical" rescue operations. Europe had not only to

Could the next Olympics be in Pretoria, South Africa?



There's no reason why it couldn't—except that South Africa itself is barred from the Olympic Games.

We were expelled a few years ago at the insistence of some nations who claimed that equal opportunity in sport for the different races did not exist in South Africa.

(In golf, South Africa has more black players competing in professional tournaments than even the United States.)

Responsible voices in the Olympic movement objected to this irrational ouster but were soon drowned.

With our black and white merit teams denied access to the Olympic Games in Mexico City in 1968 and more recently Munich, we had to find another way of providing them with international competition.

In 1973 we staged our own mini-Olympics, attended by more than 2,000 sportsmen from all over the world. In Pretoria they competed for gold, silver and bronze, regardless of race, colour or creed.

Since then, we have hosted many other international events and world championships.

There is no reason why South Africa should not host the next real Olympics—providing she is accepted back into the Olympic community.

And why shouldn't she be?

Berlin finance official quits

From Our Own Correspondent, Berlin, April 14

Herr Heinz Striek, Senator of Finance in Berlin for eight years, who is facing a legal case allegedly for not having the truth in official investigations of a building scandal, resigned from office today. His resignation was regretted by Herr Striek, the Chief Burgeon, who counted on Herr Striek continuing in his post in the new Senate.

His letter of resignation, Striek said, was sent on that he would be cleared

of the charges against him. Herr Striek reiterated his confidence in Herr Striek and his respect for his work for the city.

Herr Striek, on behalf of the Senate got involved in a DM40m (about £7m) surety for the so-called "Kreisel", one of the city's biggest private building projects—and so far a failure. The prosecution expressed doubts that the senator, at the time he stood the surety, should have known as he claimed that two big West German banks had already withdrawn their sureties from the project.

Further information about South Africa can be obtained from: The Director of Information, South African Embassy, South Africa House, Trafalgar Square, LONDON. WC2N 5DP.

OVERSEAS

Britain and France
accused in US of
Concorde blackmail

From Frank Vogel
US Economics Correspondent
Washington, April 14

Britain and France were accused here today of using "diplomatic blackmail" on the United States to promote the Concorde supersonic aircraft. The charge was made by one of the three congressmen to lead an attack on the Concorde at special hearings convened by the Federal Aviation Administration.

The purpose of the hearings is to determine whether the Concorde should be permitted to start commercial flights to New York and Washington early next year. The opponents of the Concorde mounted an effective attack that was only partially rebuffed by representatives from the British and French governments, the manufacturers of Concorde and by British Airways and Air France.

Congressman Lester Wolff of New York said at the hearing: "We must face the unpleasant truth that, while legal, scientific, economic and moral logic all combine to fly in the face of recommendations favouring the Concorde, the unpleasant spectre of diplomatic blackmail hovers over all that we say and do here."

Mr Wolff and Senator William Proxmire of Wisconsin both announced at the hearing that they are introducing legislation that will ensure that no commercial aircraft will be allowed to land at United States

airports if they fail to meet tough new environmental standards. The standards envisaged by the congressmen would be almost impossible for Concorde to satisfy.

The general feeling at today's hearing was that the Federal Aviation Administration (FAA) had decided already to approve the applications by British Airways and Air France to fly Concorde on a regular commercial service to Washington's Dulles airport.

Congressman Joseph Addabbo of New York went so far as to accuse the FAA today of mounting a "charade". He went on to accuse the State Department of being willing to try to influence the FAA because it "does not care to unduly rile friendly nations which have invested great sums in producing these planes, although these same nations limit hours of air traffic into their airports."

The New York congressman is confident that the New York-New Jersey Port Authority, which operates Kennedy international airport, will refuse permission to Concorde, irrespective of the decision taken by the FAA.

Many of Concorde's opponents today used a new report by the National Academy of Science to prove that the aircraft will greatly increase the dangers of skin cancer. The report says that Concorde can damage the ozone layer of the stratosphere and that this directly increases skin cancer.



Mr Harold Evans, with the International Editor of the year award which he received yesterday.

Press only
half free,
editor says

From Our Own Correspondent
New York, April 14

Mr Harold Evans, editor of the "Sunday Times", today described the British Press as "half free". It was facing new threats as a result of proposals that had been put forward, he said.

One of these was the Labour Party's proposal of an advertising revenue board, which would reduce the press to the position of a "licensed creature" of the

board. Another was the prospect of a dismemberment of the BBC, which he described as the world's best broadcasting service.

A third was the government proposal to make a closed shop easier in newspapers. This proposal was only being resisted by a group of editors, as in the other cases, the public was indifferent to the fate of the press and even other journalists had not spoken up on the issue.

Britain had three or four of the world's worst newspapers, Mr Evans said, and two or three of the best. The press had a low esteem in the eye of the public and one of its aims should be to make the press and the public more at one.

The role of the press was not to be a mirror of society. It could not be that because the

printing of news involved a process of selection. It could "fix the agenda for society" by providing the facts and the focus on certain selected subjects. This was its only real power, but it was successful in it, it needed public support.

Mr Evans was speaking at a lunch in New York at which the Atlas World Press Review presented him with its international editor-of-the-year award.

Mr Alfred Balk, the editor and publisher, said that Mr Evans had made the "Sunday Times" "one of the world's great crusading newspapers" by its reporting of the thalidomide compensation controversy, its investigation of aircraft safety after the DC10 crash outside Paris, and its publication of the Crossman diaries.

Fischer offers to meet Karpov

Manila, April 14.—Bobby Fischer, the former world chess champion, said today that he was willing to meet Anatoly Karpov, the new champion, to discuss with him seriously terms for a possible match.

Mr Florencio Campomanes, the deputy president of the International Chess Federation (Fide), said Fischer telephoned him from Pasadena, California, and asked him to send a cable to Karpov through the Soviet Chess Federation about the proposed match.

Mr Campomanes, an old friend of Fischer, said he had sent the following cable to Moscow: "I am transmitting Mr Fischer's telephone statement as follows: 'It is a fine gesture of Mr Karpov to offer to talk personally with me on terms and conditions for match. I propose to meet with him in Manila or elsewhere. Everything should be open to discussion. I want to discuss this matter seriously. Soonest reply will be appreciated.'"

Mr Campomanes added that Fischer's telephone call was

made after Karpov said he was willing to meet Fischer for a match outside the Fide framework.

Karpov was proclaimed the new champion earlier this month after Fischer failed to send Fide his reply on whether he was prepared to defend his title in Manila in June. Fide had rejected his proposal that the defending champion should retain the title in case of a 9-9 tie, while accepting another proposal for an unlimited number of games.—UPI.

New 'war cabinet' in Saigon
as communist forces move in

From Peter Hinchhurst
Saigon, April 14

As Government F5 fighter-bombers attacked communist positions only 15 miles south-east of Saigon today, President Thieu swore in what he described as a new "united war cabinet".

The new Cabinet, led by Mr Nguyen Ba Can, a former Speaker of the Lower House of the National Assembly, was presented to President Thieu in the Independent Palace, the head of state's official residence.

Before swearing in the new Council of Ministers, President Thieu thanked President Ford, of the United States, for his attempt to rush military aid to South Vietnam. He asked Congress and the American people to realize that South Vietnam could stem an invasion by North Vietnam only if Saigon remained strong.

Presenting his Cabinet to President Thieu, Mr Can said his Council of Ministers was ready to negotiate terms of peace with the communists.

"But we are not prepared to surrender," he added. In outlining the immediate tasks before the new government, Mr Can indicated that President Thieu's regime intends to fight on in spite of a series of spectacular military reverses in recent weeks. "The Cabinet will draw up emergency plans to defeat the communists and make preparations to launch a counter-offensive," he said.

Eleven members of the previous Cabinet, which was led by Mr Tran Thien-Khiet, were retained in the new Cabinet. Three military men were also handed portfolios today.

In the realities of the situation in South Vietnam today the new appointments carry very little significance. Opposition members have refused to respond to President Thieu's recent call for a united war cabinet. The new ministers have no political base and are associated closely with the head of state.

The Provisional Revolutionary Government has offered to negotiate the terms for peace

with a non-communist Administration in Saigon provided that President Thieu's regime is overthrown or if he steps down. Observers believe the make-up of the new Cabinet does not provide hope that the military conflict will be brought to a halt by a political solution.

Saigon, April 14.—The South Vietnamese Government today sent fresh reinforcements to help its vital defence bastion at Xuan Loc.

Military sources said government aircraft had hammered communist positions only 15 miles from the capital. At Xuan Loc, part of Saigon's outer defence ring, communist fire hit the garrison's positions for the sixth consecutive day.

The reinforcements were sent to try to clear Route 1, which runs from Saigon to Xuan Loc, 45 miles north-east of the capital. The highway has been cut by communist shelling.

Sources reported that the Xuan Loc defenders had pushed the attackers back to three miles from the town in places.—Reuters.

US Congress debates
fate of Saigon

From Patrick Brogan
Washington, April 14

Congress today began to decide what to do about Vietnam. For the first time in many years, a president has passed the whole of a major foreign policy decision on to Congress. The Administration, the American people and the Congress will have to abide by the result.

The entire Senate foreign relations committee went to the White House this afternoon to meet President Ford and to be briefed on the military situation in South Vietnam and on plans for the evacuation of Americans and some Vietnamese.

The State Department has sent up draft resolutions, and witnesses to defend them before congressional committees, which would allow the president to use American armed forces to rescue Americans from Saigon with a clear conscience, and to save some Vietnamese too.

The first is a clarification of existing legislation which, in theory, bans all military activity whatever in Indo-China. It is hoped generally that most Americans will be brought out of Saigon peacefully and before the final crisis, as most of their comrades in a low-key evacuation. The President's other request for emergency military aid for South Vietnam is also being examined by Congress, and the chances of Congress approving it are considered small.

with the "Old Glory" flag rolled in his arms, but it would be preferable for the Marines to have the legal authority to do so. There is little doubt that Congress will give it.

Some liberal Democrats, however, will try to prevent it. Their opponents are expected to make their difficulty in defeating them over the question of using the Marines to rescue those Vietnamese whose lives would be most seriously endangered by a communist victory.

Congressmen who think the rescue of Americans and some Vietnamese is a task which should be left to the State Department will meet and the first serious test of strength between the various factions will take place. Everyone on Capitol Hill is a dove, but some are more hawkish than others.

The chances are that the moderate doves will win and that the President will be given the rescue powers he wants. The State Department is thinking of sending 58,000 to 200,000 Vietnamese. This is no more than wishful thinking. There is no chance of getting so large a number out under fire, unless immense American force is used.

Congress will therefore weigh the authorization for the use of the Marines most carefully to ensure that the Americans are not sucked into a new morass, in which thousands of people would be killed.

The President's other request for emergency military aid for South Vietnam is also being examined by Congress, and the chances of Congress approving it are considered small.

Whitehall
worried
by arms deal
reports

By Henry Stanhope
Defence Correspondent

Questions are expected in the House of Commons today after off-stage allegations of government prevarication in approving the export of armaments to three potential customers.

There was a fear in Whitehall that some of the deals, involving delicate negotiations, might be jeopardized after over-enthusiastic reporting by arms sales entrepreneurs.

The countries which have figured in press reports of political dithering during the past few days are Libya, Iran and Kenya. Pakistan has also been cited as a potential client that has been anxious to buy military hardware from Britain.

The Government is willing to sell "soft" defensive equipment to Libya, as part of its wish to see relations improved between the two countries. Some equipment has already been supplied during the past few years. The deal has been impeded by a demand relayed to Whitehall that six submarines should be top of the list, followed by 39 Jaguar low-level strike aircraft.

The 1,000-ton diesel-electric submarines would probably have to be German-designed boats built by Vickers at Barrow-in-Furness because British firms are designing small craft of this kind.

The chief objection put forward by the Government is founded on the allegation that Colonel Gaddafi, the Libyan leader, was plotting to torpedo the OZEE in 1973 when the liner was on a cruise to Israel with 580 American Jews on board.

As for Jaguars, a firm negative was given because of the fear that Colonel Gaddafi would pass these on to some other Arab country like Egypt, in whose hands the low-level penetrative ability of the aircraft would be a destabilizing force in the Middle East.

The suggestion that the Shah of Iran has been infuriated by Government prevarication over a request for submarines has also caused concern in Whitehall, because the Shah is easily Britain's biggest arms customer. For Kenya, the £65m arms package which is being discussed is being worked out on British advice and is being held up only by questions about the Kenyans' ability to pay.

Britain's arms export industry is claimed to be booming, with an estimated £560m worth expected to be delivered in 1975-76—about 70 per cent of it involving "defensive" armaments.

Larry Parks dies of
heart attack at 60

Los Angeles, April 14.—Larry Parks, the actor who played Al Jolson in two successful films *The Jolson Story* and *Jolson Sings Again*, died of a heart attack at his Los Angeles home. He was 60.—Reuters.

Air firm refuses
to fly Thieu
gold to Geneva

From Our Own Correspondent
New York, April 14

President Thieu of South Vietnam and former President Lon Nol of Cambodia apparently tried to fly out 16 tons of gold from Saigon, Time magazine reported today. They are said to have approached the agents of an aircraft which had flown in medical supplies, but the company refused.

The company, named as Balair, an affiliate of Swissair, had been chartered by the West German Red Cross. Time said the company was afraid the gold might be part of the two countries' reserves. It told the Vietnamese that it would cause dangerous weight and balance difficulties and that it had received overflight permission for Bangkok and Bahrain only for humanitarian purposes.

Our Geneva Correspondent writes: Balair has confirmed that it declined a request to send an aircraft to Saigon to carry gold and other assets to Switzerland.

A company official said that the request had come from a "broker". He added: "We said 'no', and in any case, we did not have an aircraft free."

Peking puzzled
by American line
on Indo-China

From David Bonavia
Peking, April 14

Chinese comments on the situation in Indo-China suggest irritation with the United States for attempting to prop up lost causes when it has more pressing interests to look after in Europe and the Middle East.

The Chinese seem puzzled that even the Americans can want to go on supporting regimes which are so patently unable to support themselves, and Peking has kept its proposals in a low key throughout the recent offensives in Indo-China.

It has concurred with Hanoi's assertions that President Thieu was at fault for violating the provisions of the ceasefire agreements. But it has not called for all out effort by the communists to overthrow the Saigon Government.

The situation in Cambodia is clearly different and China has lent its support to the Khmer Rouge and Prince Sihanouk in their drive for complete victory. However, China's desire is not so much to see the Americans humbled as to have them recognize that South-East Asia is not an area of prime concern from the point of view of their security.

Mr Connally fights bribe charge

From Fred Emery
Washington, April 14

Mr John Connally, taking the witness stand on his own behalf, today repeatedly swore he had never solicited, been offered, nor taken the \$10,000 bribes (about £4,150) which he is accused of accepting while serving as Treasury Secretary.

The 58-year-old Texan, white-haired and dignified, sounded contemptuous as he firmly and put to him under examination by Mr Edward Bennett Williams, his counsel.

The former Treasury and Navy Secretary and three-term Governor of Texas testified after Mrs Lady Bird Johnson, Dr Billy Graham, Mr Robert McNamara and Mr Dean Rusk took the court of his reputation for integrity.

Subsequently an impressive black woman added her voice before the predominantly black jury: Representative Barbara Jordan (D Texas) whose congressional district is Central City Houston. She swore that Mr Connally had a good reputation, notwithstanding the "extraordinary" political differences she had with him.

Mr Connally, through coun-

sel's leading, made the point of his humble beginnings—son of a bus driver—and of his great responsibilities while in office between 1971 and 1972 as Mr Nixon's lone Democrat in the Cabinet.

He is accused by one man, his friend of 20 years, Mr Jake Jacobson, a lawyer for Dairy Industry Cooperative, who says he gave him two instalments of \$5,000 each in return for Mr Connally's efforts to get the milk support price raised in 1971.

Mr Connally today claimed it was he who persuaded Mr Nixon to reverse an earlier decision in favour of higher prices on the grounds that Congress would raise the prices in any case. This way the Nixon Administration got the political credit.

Mr Connally, although looking older than his years, showed his old shrewdness in explaining the politics of the decision.

"More of the Congress talked to me than any other member of the Administration," he asserted.

Mr Connally, of course, denied Mr Jacobson's alleged hand-

he rasped to repeated questions whether this happened, with a crescendo of "no" to the lawyer's quick catechism.

What he did admit to was discussing, in June, 1971, with Mr Jacobson an offer he conveyed from the milk cooperative for \$10,000 cash for the segregated political campaign of Mr Connally's choice.

Mr Connally said he thanked him but declined, and asserted that Mr Jacobson never raised it this way again.

However, after Mr Connally resigned, in 1972, and established Democrats for Nixon, Mr Jacobson, Mr Connally testified, again offered \$10,000 in cash for the new political group. Mr Connally said he declined the offer because Mr Jacobson's milk cooperative had become notorious. However, democrats for Nixon did accept duly registered contributions from other dairy cooperatives.

When the court rose, Mr Connally was testifying about the October and November 1973 meetings he had with Mr Jacobson in which his accuser alleged Mr Connally returned to him the \$10,000 in bundles of notes.

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Photograph by Jack Nieberg.

I had been less prepared for what I can only describe as her cosiness. The awesome veneer is certainly not cracked, but it turns out to be soft sculpture. She is not slick or glossy or point-scoring, though she is so tremendously gracious. She is also very strong minded—she does not sleep but will not take pills because she disapproves the habit. "I go out and see if the night-watchman is awake," she says, drolly. Does she read? "Oh yes, a lot, all rubbish." At this moment the log fire begins to smoke and the Duchess thinks her eyes may be watering and her mascara running. Needless to say, it is not. As we drive away, two things haunt me. One is that I shall never know at just what point she realized that the Prince might marry her come what did: the second is that all the time I was with her I knew she reminded me of someone. It is something about the brow and eyes. It was only as the car shot across the Place de la Concorde that I realized that the Duchess has grown to have a strong look of the ladies of the Royal House of Windsor. ©Times Newspapers Ltd 1975

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Peronist triumph in provincial elections

Posadas, Argentina, April 14.—Argentina's ruling Peronist movement has triumphed in its first test at the polls since the death of General Peron, beating breakaway factions and the main opposition party in elections in the northern province of Misiones.

Official results in yesterday's election of a governor, deputy governor and 32 provincial deputies gave the Peronist Justicialist Liberation Front (Frefu) coalition 74,330 votes. The centrist Radical Party, the second political force in the country, got 62,663 votes. About 200,000 people were eligible to vote.

The big losers were the left-wing parties, notably the discredited Peronists who had challenged the present leadership by fielding candidates under the banner of "authentic" Peronism.

Señor Demetrio Vazquez, a Peronist leader, tonight hailed "this triumph" in Misiones as proof that President Maria Estela Peron "is the sole legitimate heir of General Peron and Eva Peron."

The elections in Misiones were made necessary by the death of the governor and his deputy in an air crash in November, 1973. The province had been run since then from Buenos Aires—Reuters.

Buenos Aires, April 14.—A powerful bomb exploded in the Argentine Navy headquarters today, police sources said. The explosion claimed no victims, but blew out office windows on the eleventh floor of the 15-storey building.—UPI.

'Haven of rest' sought by Mr Stonehouse

Melbourne, April 14.—Mr John Stonehouse, the runaway British MP, said today he was seeking a "Mauritian passport" in order simply to find a "haven of rest" where he could recuperate after charges against him were dismissed.

In a press statement issued through his wife, Mrs Stonehouse said the application did not indicate his intention to avoid the processes of law.

"I have made it clear that if the extradition proceedings succeed I shall have to go back to the United Kingdom. But if the charges are thrown out I will in any case have to leave Australia and my British passport has not been returned to me so I must have another." —Reuters.

Afghanistan umbrage over 700 refugees' in Afghanistan

For Correspondent, April 14.—Taken by Dr. Waldheim, United Nations Secretary-General, to help 700 people from Pakistan have refuge here.

Dr. Waldheim is reported to have said the United Nations should not be used to provide refuge to a group of these people.

In a separate letter to the United Nations Secretary-General, Mr Aziz Ahmed, Pakistan's Minister for Defence and Foreign Affairs, claimed that as a result of a "reign of terror" in Afghanistan, Afghan refugees had been crossing the border into Pakistan every month and their number had now swollen to well over 170,000.

Dr. Waldheim's "positive response" to the Afghan President's letter of March 2 seeking United Nations aid had come as a rude surprise to Pakistan, he said.

15 years for train driver who slept before crash

Zagreb, Yugoslavia, April 14.—The driver of a train which crashed here last August killing 153 people was sentenced today to 15 years' imprisonment. He admitted being "asleep" just before the crash.

The sentence, also found guilty of being asleep as the train entered Zagreb station where it crashed, was sentenced to eight years in prison.

A court here found Nikola Knezevic, the driver, and Stjepan Varga, his assistant, both 42, guilty of grave

offences against public safety. Mr Varga was found guilty of not applying the emergency brakes just before the accident. The court said there were a number of other shortcomings, including the use of an outdated braking system and old carriages.

The defence said it would appeal against the sentence. The train was derailed and all its coaches overturned and smashed when it entered the station at more than 60 miles an hour, twice the permitted speed.—Reuters.

losion kills n at plant outh Africa

urg, South Africa.—Seven white workers died and seven blacks were injured today in an explosion at the world's first coal plant. Blast came as the men activating a gas unit turns methane into carbon dioxide and hydrogen. Plant, run by the South African Coal, Oil and Gas Corporation (SASOL), is one of public's main industrial plants, having pioneered by process of extracting coal.—Reuters.

shops protest over actions in South-West Africa

Michael Koipe, April 14.—Groups of three churches in West Africa have accused authorities of blocking to make a legal investigation into allegations of government intimidation duringambo elections earlier this year.

Rev R. J. Wood, of the Anglican Church, Bishop de Breis, of the Evangelical Lutheran Church, and Leonard Auala, of the Lutheran Church of Kavongo, made the statement.

More than half of population of South-West belong to one or other churches. Statement issued today shops said sworn affidavits that there was a "case of intimidation" against all officials at all elections, which produced a cent poll, was hailed as a victory for the official South-West African People's Organisation, who is accused of possessing banned political publications when police raided his shop premises in February last year.

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Mr Tindemans treads warily on the way to European unity

Anyone who still fears that European unity—whatever it may turn out to be—could become a reality by the target date of 1980 can relax. Even the convinced federalist charged by the nine to draw up a comprehensive report this year on European unity, Belgium's Prime Minister, Mr Leo Tindemans, considers the 1980 goal can be regarded as a dead letter.

Admitting this, Mr Tindemans said that circumstances had changed very much for the worse since the 1980 target was set by the Paris Summit of 1972. Less than five years now remained—and unemployment and inflation had made life much more difficult.

The nine chose a good man to clothe the nebulous concept of European unity with some sort of convincing political apparel. Belgium's Prime Minister for just a year, Mr Tindemans is that rare bird, a political leader who, even in a divided Belgium, inspires widespread integrity and youthful charm. Rising 53, he looks much younger, and not for nothing are some of his happiest memories of his days as a teenage soccer leader.

Although long an active member of M Jean Monnet's action committee for a United States of Europe, he admires Anglo-Saxon pragmatism and parliamentary traditions, and indeed gets on well with Mr Wilson. His spell in 1962 under Dr. Kissinger at Harvard's international seminar helped him to appreciate the value of Europe's links with the United States. His experience as a Belgian minister, including a year as Agriculture Minister, have taught him how clashing European and domestic imperatives can be reconciled.

The mandate given to him by the Paris Summit of last December was to draw up his report by the end of 1975 on the basis of submissions from the EEC's institutions and of consultations with governments and a wide range of public opinion.

The European Court of Justice submitted its report last October. The European Commission and European Parliament, whose presidents Mr Tindemans has consulted, are working on theirs—discreetly, in order not to upset the British apple cart.

Mr Tindemans began his tour of EEC capitals last week in Dublin. London will be left, judiciously, until after the referendum. Among others so far consulted has been a group of professors of European law from all member States. They were delighted to report that he was summoned for the first time to give their views on this theme (Britain was represented by Professor John Mitchell of Edinburgh University).

There are different ideas around at the moment," he said. "For example, do there have to be nine members? In his recent book, Dr Dahrendorf (formerly of the European Commission, now Director of the London School of Economics) suggests you could have different numbers for different fields of activity—let's say six for monetary union, nine for the CAP—a bit of what they called Europe à la carte. But first the status of what you want to do must be clear, as in marriage, though with nine it's not marriage, it's a commune."

Mr Tindemans reckons his report will have to make clear whether European unity is to be the final aim or an intermediate target, requiring a fresh definition of aims when reached.

"The way to go on, in my eyes, is to fix the target and then to sketch out the way to reach it, and for this you need a series of steps. I personally think economic and monetary union was too ambitious a target in 1972, but we must take steps to reach it at a certain moment: in five, 10, maybe 20 years, I don't know."

Mr Tindemans understands British fears of losses of sovereignty to EEC institutions—but regards them as misplaced. "None of us have the power of a real sovereign state at the moment. We are all interdependent. If we do things together, we will be stronger and more sovereign than we are now. In reality, it will be the exercise



Mr Tindemans: confidence.

of sovereignty in common, between partners.

"I think it is a false problem, speaking all the time about that sovereignty. I admire the British people and members of Parliament who are so strongly convinced about sovereignty, but I think it is not realistic."

"The choice," he said, "is between a more integrated structure and a kind of multi-lateral permanent negotiation, in which each country goes its own way if agreement is not reached. Well, we tried that for centuries. It's my feeling that the results were not very good. After the Second World War some people said: 'We can't go on like that, if we want to have some influence in the world.' To have a larger scale for our activities, we need more than mere multi-lateral negotiations. Many of these members of European unity Mr Tindemans knew as Secretary General of the European Union of Christian Democrats between 1965 and 1973."

As for British membership, Mr Tindemans pointed out that those interested in history remembered Britain's role in 1830 as one of the fathers or mothers of modern Belgium. "We were unhappy that you did not come into the EEC at the beginning. We were happy when you did come in—but unhappy again how shall we say, the way you have formulated, and it seemed you might abandon the EEC after signing the Treaty of Accession. Belgium did everything possible to help find the Dublin summit compromise on the crucial issue of renegotiations."

Mr Tindemans is not too concerned about the dangers of Britain, if confirmed as a member by the referendum, taking over the old French role as the slowest and surliest camel in the EEC caravan. "I have always had a theory that when you are six or nine together, you will always have a trouble-free (spoil) sport. It's only if you are five, as in France, or Britain, or a certain moment Germany, or a smaller country. It depends on majorities and on political personalities."

Britain has no monopoly of sensitivity to the sovereignty of the London School of Economics, Mr Tindemans recalled, but he said Belgium too, as one of the fathers of its agricultural support system, and continues to experience difficulty in adjusting its regional aid systems to conform to EEC regulations. Long a paradise for doctors, Belgium recently withdrew its objections to the free establishment of medical practitioners throughout the EEC. All this in a country where democracy flourished at a much older level, Mr Tindemans reminded me.

Mr Tindemans wields authority with the reluctance of those sensitive to other viewpoints and it is not always easy for him to do his European ideal in practice as the Prime Minister of Belgium. But when it comes to the crunch, the exigencies of EEC membership prevail, and there are no institutional routines, because in the last analysis, the vast majority of Belgians appreciate that membership has benefited them, and that to tackle major problems at the European level is not just sensible but indispensable.

Self interest, enlightened and otherwise, is what motivates most people, and it is likely to remain the driving force of the EEC with or without Britain, with or without European unity.

Roger Berthoud

On Budget day, for art's sake let us not tax the rich out of existence

'If the Government wants to cut the very rich down to size and retain the nation's artistic heritage, the price must be paid from the public purse. And the price is high.'

I have always understood that the reason why politicians of the left in Britain were called "socialists" rather than "communists" was because they wanted to have the best of both worlds: to combine the best elements of capitalism with the best elements of communism. In this I am right behind them, but the danger must not be overlooked of achieving the worst of both worlds. As far as the nation's artistic heritage is concerned this is just the result that the proposed capital transfer and wealth taxes appear angled to achieve.

According to the wealth tax green paper "the Government is committed to use the taxation system to promote greater social and economic equality." This means both reducing the number of the very rich and reducing the scale of their wealth so that it stands in a more equitable relationship with the rest of the population. Now the nation's artistic heritage is threatened by the very rich in two ways: first, as beneficiaries of museums and secondly as owners of rare artistic treasures; in the case of old aristocratic collections such owners often open their collections to the public. If the Government wants to cut the very rich down to size and retain the nation's artistic heritage, the price must be paid from the public purse. And the price is high.

The wealth tax green paper suggests that the public display of an artistic treasure might qualify for deferment of, or exemption from, wealth tax. The initial cost of displaying such exhibits, together with the cost of extra staffing and conservation it would require, has been estimated by one museum director at £250m. In addition museum purchase grants would require to be enormously increased if those who preferred to sell rather than lend their treasures were not to sell exclusively to foreign collectors.

The unpreparedness of the Government to face this responsibility was heavily underlined by the case of Reynolds's portrait of Lawrence Sterne. The National Portrait Gallery was struggling to acquire a portrait of one of our greatest national writers by one of our greatest national

artists at the knockdown price of £50,000; its open market valuation was £100,000. At the end of weeks of pressure and counter pressure, the Treasury provided £10,000 leaving the gallery to scrape together almost £40,000 from private benefactors.

Let us try to clarify the background to this argument. First the wealth tax green paper. This notes that the problems of the artistic heritage require special consideration. It notes that there are "forceful arguments" against outright expropriation and suggests that items on loan to public collections or on display in historic houses that are open to the public should be treated favourably than items in private collections to which the public has no easy access. The favourable treatment they specifically mention is a deferment of tax until the item changes hands, either by sale or inheritance.

This is a pretty tough line. Under present estate duty legislation a work of art of "national importance" can be exempted from death duty, but only if it is subsequently sold. Deferred wealth tax, it is suggested, would become payable at death even if the item did not leave the family.

Under the deferment principle it would need only a few years of deferment to make the sale price of an item of "national importance" fall below the tax incurred by the sale, previously deferred estate duty plus deferred wealth tax could quickly top the market value of an item. It is generally felt that this situation may lead to panic selling by owners wishing to salvage some cash advantage from their possessions.

Let us look next at how wealth tax is likely to affect museums. In the first place the favourable treatment of items on loan to museums would be

likely to bring a flood of offers. This would present physical problems of space for storage and display.

The plight of many provincial museums is desperate; they are already turning away material. Further donors are the problems of conservation; this includes the treatment of items whose condition is deteriorating, as well as the proper control of atmospheric conditions to avoid damaging items on display or in store.

It must be remembered that most of our museums came into existence as a result of private benefactions in the course of the last century and the beginning of this one. They have grown and flowered as a result of donations and bequests from private collectors.

The role of a private collector is often a special one; he collects in a field that is not yet fashionable or the work of artists not yet publicly recognized. In later years such collections are often not repeatable; many such collections now enhance our public galleries. Samuel Courtauld's Impressionist paintings and the Chinese porcelain collected by Percival David to name only two.

Museums do not generally have either the foresight or resources to parallel this type of activity on a public scale. Such donations and bequests are already beginning to dry up and will dry up completely if the rich are cut down to size. In this case there would be an obligation on the state to provide the resources if not the foresight for museums to attempt this type of collecting.

There would be other problems for museums—for instance, the removal of what were considered permanent loans for sale. Museums will often buy further material to enhance an important loan collection—the point of such purchases disappears with the loan. The Leicester museum

found itself in this position when the Elgemyer drawings were removed for sale two years ago.

The problems of private collections are perhaps simpler but more acute. By the combination of death duty concessions on land and works of art, many great hereditary estates have survived in Britain. The estate and the proceeds of opening their historic home to the public has enabled owners to keep the house and the treasures it contains in good repair. The narrow margin by which this is financially viable could be finally removed by wealth tax.

Addressing the British Antique Dealers' Association annual dinner recently, Lord Goodman commented that "the extent to which we depend on voluntary efforts in this country cannot be exaggerated." He described the "astonishing generosity" of the arts as a whole as "not merely inadequate but ignominious."

Which goes to underline the burden of my argument that the Government has as yet shown no sign of preparedness to shoulder the immense financial responsibility for the arts that would be created by taxing the rich out of existence. As the Government is socialist, not communist, its policies are presumably aimed at narrowing inequalities of wealth and income rather than doing away with them altogether. It would be a great help to the public if it would spell out the type of contribution it is aiming at. It would give us solid grounds for arguing how much of the financial requirements of the arts should be shouldered by the public sector in compensation for the pressures on the rich.

Let us try to keep a limited number of the very rich around, particularly the aristocratic owners of great houses; it makes the fabric of our society more colourful and is in no way incompatible with giving the poor a fairer deal. As Lord Goodman pointed out, the suggested application of capital transfer tax and wealth tax to the arts is a "policy of pure envy" and "the impulse of envy is incomparable more horrible than greed."

Geraldine Norman
Sale Room Correspondent

Jamaica's brand of socialism is out to break Victorian attitudes

Mr Manley makes no bones about the basic policy of his government—the redistribution of income from the rich to the poor. This policy includes the redistribution of income from rich, "metropolitan" countries to "developing" countries, and specifically to Jamaica, as well as redistribution of income from richer middle-class Jamaicans to their neighbours living in rural and urban slumland. The first part of the programme has made better progress than the second, and moreover, Mr Manley's home critics cannot attack it. The most they can do is to call the big increase in Jamaica's income from bauxite and sugar a piece of "luck" which he has missed.

It is hardly luck. The rise in sugar prices has certainly netted Jamaica's balance of payments £30m extra, but the cost of imports is rising more than proportionately. Any Jamaican government would have sought a new deal on bauxite after OPEC, but Mr Manley's success in negotiations which started in 1972 and are still proceeding, has been outstanding. He has been outstanding in the way he has felt with pride that they have recovered control over their own resources and have paralleled in some degree the Arab oil triumph. The bauxite negotiations have secured an additional income in royalties and levies of an extra £70m, but as important for Mr Manley's political principles, is that Jamaica has become a major shareholder in some of the companies and now has a direct interest in their profitability.

The struggle began with the progressive bauxite company, and as a result the Jamaican government may have a direc-

tor on the board of the American holding company, and already has full access to the operating costs of all the bauxite companies—something no Jamaican government possessed three years ago. What has worked with the progressive bauxite and other companies is the redistribution of income from richer middle-class Jamaicans to their neighbours living in rural and urban slumland. The first part of the programme has made better progress than the second, and moreover, Mr Manley's home critics cannot attack it. The most they can do is to call the big increase in Jamaica's income from bauxite and sugar a piece of "luck" which he has missed.

Furthermore Jamaica is going directly into the conversion of bauxite into alumina, and thereafter into aluminium, with Mexico, under an interlocking shareholding in the state-owned companies of both countries whereby Mexico will have an interest in developing and using Jamaican alumina, and Jamaica will participate in the profits of Mexican alumina and aluminium. Mexico has both the energy and the market for the metal to make this partnership a success—but a similar arrangement proposed with Trinidad has not gone ahead and is not likely to.

The bauxite and sugar successes have enabled Jamaica to attract borrowing which has financed her agricultural and social programme. But the economy will not grow significantly this year, and the implementation of the scheme to settle 1000 young farmers a year on the land under the

second and third phases of the land-lease scheme will be costly. Moreover, the Manley administration is committed to a big increase in education and other social services. About half the population is illiterate, and land settlement under controlled conditions requires educated tenant farmers.

Partly to meet the need for teachers (and other social workers), partly to inspire youth to service, the Manley government has introduced the first phase of a scheme for compulsory national service, mainly in the schools, but at present confined to those with no other employment. This is a way of providing training with assistants, and apparently has won the approval of the young, but has upset middle class parents, whose fears of undesirable contracts for their young are rather Victorian—and precisely what Mr Manley is determined to break down.

Besides the cost, the organization of the social uplift programme is an administrative headache. Mr Manley hopes his own party, with its socialist commitment, and a greater ideological bent than the JLP, will provide the spearhead of dedicated young leaders. To this end, the scheme is another sign of one-party thinking to be watched and if possible thwarted.

And at thwarting governments, the Jamaican people are very good. The business classes, who are factually intimidated by the fact that income is taxed or imported controls (or import controls), notwithstanding the import of some British tax inspectors to make a few examples. Though some Chinese businessmen

have quietly emigrated, most of the business community (one of them told me) "never had it so good." And for this reason, however, the PNP has a very large middle class element, and what Mr Manley can do to offend them is strictly limited. He, it is said, occupies the centre and left of his party—but much of the operative power is on its right.

On its present showing, Mr Manley's socialism is to the right of Mr Wilson's. He has not even nationalised the telephone company yet. It may come. He sounded to me almost apologetic about subsidies for the ailing banana industry. The big transfer of income or wealth from the haves to the have-nots in Jamaica has barely begun. Jamaican intellectuals bewail their chronic lack of vision and social attitudes but it is to a culture, to social attitudes, that Britain itself has abandoned.

At the Prime Minister's conference, Mr Manley hopes to start work on a code or agreement which will further improve the terms of trade in favour of third world countries and producers (Jamaica was a leading influence in the Lomé negotiations). He speaks of indexing raw material to manufactured prices. At least he can show that what he wants internationally, he is trying to do internally. But his domestic experience may have well resigned him to getting only very limited pilot schemes in the international Commonwealth arena.

Concluded
Roy Lewis

Bernard Levin

Act two of the TV licence farce coming up

Why does the Home Office, alone among Government departments, so often give the impression that it is staffed by people whose knuckles brush the ground as they walk? This curious state of affairs continues, I may say, irrespective of the kind of ministers who find themselves in charge of its destinies; you could hardly, for instance, find two finer fellows than Mr Roy Jenkins and Lord Harris, the present incumbents, and they are fine fellows in precisely those areas in which the Home Office has so often and so desperately needed the combined services of pest-exterminator and fumigator, yet what the Home Office is now doing in respect of the growing scandal of the television licence affair, varies not at all from the kind of shenanigans it used to get up to in the days of Henry Brooke.

Readers who have followed the story so far must bear with me while I summarize it for the newcomers. Not long before the fee for a television licence was increased (on April 1) it became apparent that those holding licences for colour television which expired fairly soon after the new rate became applicable were wise to buy their new licence before the end of March; in doing so, they lost the value of the unexpired portion, but provided this was not too great, the saving made by buying the licence at the then ruling rate more than offset the loss.

Thus armed, many went forth to renew their licences at the full legal rate, then obtaining, as a prudent housewife, alerted to the fact that the price of sardines in oil was about to rise, might sally forth to buy a dozen tins or for that matter as an under-venturesome might do in respect of frilly knickers. Without the slightest legal right, Post Offices began to refuse to renew licences that had not yet expired, and defended this refusal with a flourish by saying that they had been instructed to do so by the Home Office, for whom they, and the Television Licence Records Office, claim to act as agents. (I have to leave both outfits; nobody in this country is yet empowered to break the law, or to refuse to carry out duties imposed under it, on the mere say-so of a Government department.)

An opportunity that was missed

I had hoped that some public-spirited citizen would bring a legal action against those who, had without lawful authority refused to do their legal duty, but none did; unfortunately, my own licence expired before the new rate came in, so I had no opportunity to do this myself. I advised readers who told me of the improper refusal to do their licence, but to buy a new one, and many of them did so; others however, met with a refusal to sell that was even more clearly *ultra vires* than the refusal to renew.

So much for the past; now for the present. Each of the sensible people who bought new licences at the full legal rate before April 1 has now received a letter from the National TV Licence Records Office in Bristol, which could be said to raise official impediment to an altogether new level. The letter reads: "Our records show that a colour television licence to cover use of television apparatus at your address was obtained [before April 1] although there is already a licence in force for that address not due for renewal until May 1. As you may know, the fee for colour television was increased from £12 to £18 from April 1, 1975. By renewing the licence before the

existing licence expires the increased fee has been avoided and you have been instructed by the Home Office, for whom we act as agent in operating the television licensing system, not to allow this, and a certificate required to ask you to return the additional fee of £6 together with the enclosed receipts form within 14 days of receipt of this letter, using the enclosed prepaid envelope. If you wish to make the payment at your local post office, you should present the fee, and the new licence, together with the enclosed receipt form. We will then amend our records to show your address as being covered by a licence expiring at the end of April, 1976, and a notice to this effect will be forwarded to you.

In the event of failure to pay an additional fee, we have been instructed by the Home Office to revoke the licence taken out in advance. We will then amend our records to show your address as no longer being covered by a licence expiring at the end of April, 1975 at the new rate.

Establishing the question of authority

Observe the many-hued nature of the impudence of this letter. First, no attempt is made to establish authority under which the Home Office has given its scandalous instructions. This is, of course, understandable, as the Home Office has no such authority; it has powers to revoke a licence, but the attempt to trick the licence holder into paying a fee which could not possibly be interpreted to permit the revocation of a licence legally obtained for the correct fee to cover the proper use of a television set. Second, note the phrase "the increased fee has been avoided." Apart from the fact that when the licence was bought the fee had not been increased, so that the statement is false in the letter as well as the spirit, it is made worse by the attempt to trick the licence holder into believing that, if the increase had been avoided, the avoidance would have been unlawful. It would not, any more than a shopper who buys goods the day before the Budget puts the price of the goods up, is doing anything unlawful or can be made to pay the extra money afterwards.

As I said in my previous column on this subject, they are bluffing. They have no authority to do what they are doing, and they are trying to trick honest citizens out of money that the honest citizens do not owe. What is more, and so much more that the whole business is reduced to hilarious farce, they have been urging the law-abiding citizens to do exactly what they are now maintaining is forbidden. They have been sending out official notices reading—oh, hang the expense, let's have it in capitals:

ON AND AFTER 1ST APRIL 1975 THE FEE FOR A BLACK AND WHITE TELEVISION LICENCE WILL BE £8 AND FOR A COLOUR TELEVISION LICENCE £18. LICENCES CANNOT BE ISSUED FOR ANY OTHER AMOUNTS. IF YOU NEED A LICENCE IT IS IN YOUR OWN INTERESTS THEREFORE TO OBTAIN ONE BEFORE THAT DATE. IF YOU DO NOT YOU WILL HAVE TO PAY THE INCREASED FEE.

I have not imagined nor invented that notice, sent out by the TV Licence Records Office, and those who wish to inspect it should form an orderly queue; in view of the inclement weather and the possibility of long waits, they are advised to dress warmly and to bring their own refreshments. The WVS inform me that it will not be possible for them to serve tea and buns. Meanwhile, I think the Home Office and the TV Licence Records Office should admit that what they have been trying to do has no legal authority, constitutes a serious deception of the public, and has in any case been nullified by their own prior contribution to licence-holders to take the very action that they now assert is not permitted.

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The Times Diary

Ginseng, soya milk and slippery elm

Lunch at the International Health Food Fair yesterday was a much debated topic, reports Robin Young. Should one have a hard-boiled egg? "Oh, I allow myself three or four a month," said a health food shop proprietor in the queue. "I think I'll indulge."

The important thing, another expert said, was that the food had been cooked the right way—everything, the eggs, chicken and potatoes (boiled till they fell apart) had been cooked hardly at all. The beef was nearly raw. "Would you like carrion?" said the vegetarian behind, politely.

In the exhibition hall some of the stall-holders were difficult about describing their wares. "You cannot have the publicity material," said one, "because it has not been changed to comply with the Medicines Act. We used to sell this as a remedy, but now we can only say it's good for you."

Another exhibitor said that bio-ginseng and vitamin E oil would "do for you whatever

ginseng and vitamin E will do for you—but you're not getting any making extravagant claims." Ginseng is a boot product, and one firm were announcing that all their powders were made from six-year-old roots. Even their representative was vague about its properties, though he assured me: "The Chinese swear by it."

A cosmetics stand, the woman in charge said all her products were not only vegetarian but also free of petrochemical products. "Most of these people use paraffin and mineral oils," she said accusingly. We just use plastic jars for packing in, but plastic can be recycled, not ideal. She should be using something biodegradable, but it's difficult enough making the cream. We can't do everything."

Barbara Cartland toured the stands endorsing herbal tonics, balms and cleansers effusively. She asked for samples to be sent on, or delivered to her sent on, or delivered to her. Rolls outside on Wednesday. People who feared they had

taken in too much cholesterol at lunch were invited to help themselves to lecithin granules (vegetechin not oolecithin) and those with acid stomachs were offered a dose of the ground inner bark of slippery elm. Roasted sea-salted sunflower seeds were washed down with "the cheapest bottled water on the market—retails at 21p giving 25 per cent profit."

At a stand dispensing chilled beanmilk made from soya beans the man said it might not taste much like milk, but people said that it actually improved rice puddings. That, at least, seems to supply a long-felt need.

Yesterday's road sign (Site entrance: please enter from opposite direction) was wrongly attributed. The real photographer was Capt S. Chalmers of Gillingham.

Insecure

Shoplifting is a middle class occupation. According to Vincent Barbera, director of security at the Chicago shop of Carson Pirie Scott, shoplifters include lawyers, doctors, priests, nuns, teachers and child psychologists.

In London yesterday, Barbera said that throughout the United States more than \$3,000m worth of goods are stolen from

shops each year and the rate was increasing at over 25 per cent a year. At Carson Pirie Scott, the installation of electronic surveillance systems—using tags that have to be removed from goods at the cash desk—had cut thefts and was saving about \$1m a year. Yet the group had lost some \$3.5m over the past three years.

Barbera told of a woman employee who, over 38 years, stole \$190,000 worth of goods. Yet she did not go to jail, and Barbera thought that part of the problem was that courts were too lenient.

Not long ago, drug addicts were the main problem. But now, said Barbera, women with Cadillac parked in the lane and diamond rings on their fingers were also taking things from stores without first joining through the formalities of paying. The problem, said Barbera, was that there had been a decline in moral standards in the United States, accompanied by a decline in the standard of living.

On the one hand, people looked at Watergate and wondered why they should be the law if the President did not. At the same time they found themselves unable to pay for the goods they needed for their families.

Still, things are tougher in New York. Barbera said that

in one store there are two-way mirrors in the ceiling and in another an armed guard sits on a platform 12ft above the floor area.

He is in Britain to see how we deal with our shoplifters, and perhaps even to calm him down. All the same, \$600m worth of goods are stolen from shops each year in Britain and security men expect this to rise to £1,000m within a few years.

Obfuscation of the week comes in an advertisement for a Japanese motor-cycle, described as "sophisticated yet simple." And a reader claims to have seen an advertisement for a window of a West London estate agent, describing a house as: "appealing to the most discerning buyer."

Colour blind

Not content with making exaggerated claims for the convenience of the new vehicle licensing system, the Driver and Vehicle Licensing Centre in Swansea is, I learn, taking an unsavourily high-handed line over how people describe their cars. S. P. Hardy of Nottingham reports that he purchased a new car which its makers describe as Damask Red, but which he would call maroon.

On examining his log book as



had erred and should reconsider the determination. A while later they replied saying that, after consulting car makers, they had compiled a list of basic colour into which manufacturers' colour descriptions fell. Thus his maroon car is officially purple and must remain so.

Champion

There can hardly be any branch of human activity which does not nowadays offer awards for people who are best at it. I have attended recently ceremonies to nominate the milkman of the year, the wine and food writer of the year and the hotel porter of the year. Then there is that one for ink-slinger of the year which is customarily won by Bernard Levin, largely because the judges do not read far enough down this page.

Since I cannot win one, I am this year taking part in judging an award for the science writer of the year, in which I hope to be offered large bribes as recompense for reading through masses of technical stuff. And this month I have already been apprised of five awards I had not heard of before.

There is one for craft guild chief of the year, and then the James E. Renneau award given for services to the potato

industry (maybe my allotment will qualify me for that). Yesterday the shop girl of the year was named, and next month it will be the turn of the wild-life sound recorder of the year. Finally there is to be an award for the refuse collector (dustman to you) of the year, in which competitors have to describe, in less than 100 words, why paper sacks save waste. (How can you save waste? I hope they have the tact not to award it to one of those Glasgow soldiers.)

A lugubrious colleague pointed out to me this startling extract from the Rabies (Importation of Dogs, Cats and Other Mammals) Order 1974: "The order provides for the majority of animals to which it applies to be detained in quarantine for a period of six calendar months from the date of landing, but in the case of vampire bats, their entry into the country is only permitted on the basis of their being quarantined for life. Moreover, vampire bats which are born in this country are also made subject to quarantine for life. Owners of vampire bats and blood sports should, in the interests of public safety, be warned against this blatant discrimination."

PHS

THE TIMES

BUSINESS NEWS

Fresh setback for Sea oil as government cuts output forecast

By Peter Vioy

Correspondent

Oil and gas

North Sea

Government

Output

Forecast

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VW poised for drastic cutbacks in workforce

By David Blake

Correspondent

Germany

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America's leading real estate investment trust says it cannot pay full interest on borrowings

From Frank Vogl

Washington, April 14

Correspondent

Real estate

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longer accruing interest on

about 46 per cent of its \$989m

loan portfolio.

In a letter to shareholders,

the company admitted it had

reached the legal limit of

its borrowing capacity, with out-

standing credits from banks

totaling \$761m. It is also re-

negotiating its credit agree-

ments, as it can no longer meet

the maximum borrowing charge

on its bank credits.

The company has had to raise

its provision for loan losses by

a further \$30m to a total of

\$85m, which equals 8.5 per cent

of its total portfolio.

Hamilton reported a first-

quarter loss of 54 cents a share

against a profit of 48 cents in

the same quarter a year ago.

Another real estate trust, the

Republic Mortgage Investors,

took the unusual step of initiating

an auction of its assets, a

move that many other now

highly illiquid trusts may be

forced to follow.

The company said it is allow-

ing its 34 lending banks, which

have extended credits of

\$42.9m, either to continue their

credit line or purchase assets

from the company in an auction

in exchange for cash and can-

cancellation of debt.

The sharp reductions

achieved in levels of vinyl

chloride monomer in the at-

mosphere—used in the production

of PVC—at the Swedish plants

have important implications

for the chemical industry there.

After disclosure of the link

between production of VCM and

the disease, Angiosarcoma, at

the beginning of last year, gov-

ernments throughout the world

have drawn up strict guidelines

for the processing of the mat-

erial.

KemaNord, Sweden's only

VCM/PVC producer, has

recently achieved levels of less

than 2 parts per million of VCM

in the atmosphere for an

average eight-hour shift. Even

more significantly, these results

have been obtained in a plant

which has been producing VCM

for 30 years.

This is in line with stringent

regulations being implemented

in the United States but which

has been fiercely opposed by

the chemical industry there,

which has claimed that such

low levels are impracticable

and could jeopardize production

of PVC, which is

Tersons 'bankrupted by hospital contract'

Tersons, the builders, crashed yesterday—more than £11m in the red. "And it was all unnecessary," according to the chartered accountant, Mr Frank Stansil in a stinging attack on the "unreasonable" attitude of the Department of Health over a contract for a teaching hospital in Liverpool.

He said the government department refused to budge over the contract price—even though it knew the company was facing multi-million pound losses because of labour disputes and escalating prices.

"The contract is now being completed by other builders," Mr Stansil went on. "And the British taxpayer is of course footing the bill. If the Department of Health and the hospital had had compromised with Tersons everybody would now be happier—and some better off."

The contract was already in existence when a group of companies, including Tersons, was taken over by British Insulated Callender's Cables in 1969.

Mr Stansil told creditors at a meeting in London yesterday that in a statement of affairs BICC was shown to have advanced £5.4m to Tersons. In fact, BICC's real loss was double that figure. When BICC was given estimates showing it would cost at least another £7m for Tersons to finish the hospital, the company called a halt, Mr Stansil said.

Tersons' directors had no alternative but to put the company into liquidation without BICC's further backing, he added.

Total debts of Tersons were put at £7,348,931 and the share capital at £4m. Assets were estimated at £55,064, the total deficiency put at £11,193,867.

Mr Stansil, of the City firm Hacker Young, was appointed liquidator at the meeting.

West Midlands 'at an economic crossroads' joint report declares

By Our Midland Industrial Correspondent
A report published jointly yesterday by West Midlands Chambers of Commerce and Industry gives a warning that unemployment in Britain's leading industrial region is again increasing at a faster rate than in the rest of the country.

And it insists that a more serious situation is developing behind the official figures. "There is some considerable masking of an even more serious unemployment situation by the numbers on short time—where firms are down to two or three-day working," it says. "Many firms are hanging on in this way rather than declaring redundancies, with their financial as well as social consequences."

The report says this finally

discredits the belief that the west Midlands enjoys some immunity from serious unemployment.

It adds that the small companies which account for a substantial proportion of employment in the region can go out of business in large numbers, unnoticed by the media, but adding considerably to the ranks of the workless.

The report says: "The west Midlands is at an economic crossroads," and urges the Government to drop all constraints on industrial development in the region.

It points out that Britain is almost unique among west European countries in maintaining negative controls in the supposed interests of underdeveloped regions.

"It is difficult to believe that it is the rest of Europe rather than Britain which is 'out of step'," the report concludes.

This is the second report in recent weeks which stresses the growing danger of the region's narrow manufacturing base.

The West Midlands Metropolitan County Council's report, "A Time for Action" urged the Government to reappraise its attitude to the west Midlands to permit it to rebuild and enlarge its industrial base.

A new study just completed by Birmingham University shows that less than 5 per cent of west Midlands workers are employed in factories built since 1959. This contrasts with 21 per cent for the assisted areas and 12.5 per cent for Britain as a whole.

Bank union decides to trim 25pc pay claim

By R. W. Shakspeare
Union leaders representing about 100,000 workers in the banks and financial institutions have run into difficulties in trying to pursue big new pay claims.

They have problems in trying to reconcile the demands that increases of at least 25 per cent are necessary to compensate for cost-of-living rises with the weakness of their negotiating position.

The problems were highlighted when delegates to the National Union of Bank Employees annual conference in Manchester yesterday discussed wages policy.

An original motion calling for wage claims of at least 25 per cent for all bank staffs was amended so that the claim would be for a "substantial" increase.

The union's difficulty is that it has to negotiate jointly with the staff associations in the clearing banks, and these still

have the majority voice in the central negotiating machinery.

The last national settlement was in June last year and since then a fresh claim has gone in. The NUBE representatives on the joint negotiating body wanted a minimum 25 per cent but at the insistence of the staff association representatives, this was amended to a two-stage claim with an interim 12 per cent increase and a further 8 per cent in July.

Delegates obviously had some misgivings about the wages policy but criticism was directed against the staff associations rather than the union leadership.

Mr Tony Walker, the Walsall delegate who moved the wages motion, accepted the amended version but said that unless a settlement of not less than 25 per cent was eventually secured, this would fail to meet the 17 per cent increase in the cost of living that had taken place since the last wage settlement.

Engineering Neddy foresees 1976 slowdown

Britain's mechanical engineering industry should be able to sustain production this year but faces a sharp decline in output in 1976 if inflation is not brought into line with overseas competitors.

This is one of the broad conclusions reached by the short term trends working party of the mechanical engineering trade Neddy in its quarterly report published yesterday.

The index of production for the whole industry is expected to rise by 1 to 3 per cent over 1974 but less activity is likely in the second half of this year.

The report stresses that new orders have been below current sales levels since the middle of last year.

North Sea oil developments continue to inject optimism among engineering companies. Demand for equipment from the exploration companies and in the field of energy conservation, the state sector and the chemical industry is expected to help order books.

\$12,000m boost in Euromarket funds

Geneva, April 14.—In the final quarter of 1974 external assets and liabilities in foreign currencies of banks in eight European reporting countries grew by \$11,000m-\$12,000m, the Bank of International Settlements said today.

However, the bank said the last quarter rise was slightly less than the third quarter fall, also estimated at \$11,000m-\$12,000m.

About half the increase resulted from exchange rate effects, mainly the increase in the dollar value of bank assets and liabilities denominated in currencies that appreciated against the United States currency, the Bank said. If this factor is discounted, the increase in the fourth quarter is estimated at about \$6,000m.

The eight countries supplying the details are: Britain, Switzerland, The Netherlands, Italy, West Germany, France, and Belgium-Luxembourg.

Middle East oil producing countries continued to be the main suppliers of new funds. BIS estimated the increase from these sources at \$4,500m to \$5,000m.

Agricultural data bank proposed

Leaders of 17 farmers' organizations have decided to set up a council to consider "broad lines of policy for British agriculture." One of its first projects is an agricultural data bank. The chairman will be Sir Henry Plumb, who heads the National Farmers' Union of England and Wales.

Unions in Scotland and Northern Ireland will also take part alongside agricultural marketing boards and the Country Landowners Association.

The Farmers' Union of Wales is not involved. The new body is to be called the British Agricultural Council.

Caribbean line plan

Details of a new multinational shipping line are expected to be settled at a meeting of officials from 17 Caribbean countries which opened in Mexico City yesterday, according to Signor Ruben Gonzalez, the deputy foreign minister. He hoped the line would begin operations by the end of the year.

SEC suspension ends

The Securities and Exchange Commission yesterday lifted its suspension of trading in the stock of United Brands. The SEC suspended trading last Wednesday, alleging that United Brands had failed to disclose cash payments it made to Honduran officials to obtain favourable tax treatment.

Venezuelan oil cutback

The Venezuelan government plans to cut daily oil production to 2.4 million barrels by the end of the year from an average 2.6 million in the first 100 days of 1975, Senator Hernandez, Mines and Hydrocarbons Minister, said yesterday in Caracas.

Chrysler disrupted

Assembly of all Avenger and Hunter cars was stopped yesterday by Chrysler UK in Coventry as 1,000 assemblymen were sent home. More than 300 others had walked out earlier, protesting over a reshuffling of labour.

Iran telephone order

General Telephone and Electronics Corporation of Stamford, Connecticut, has received a telecommunications project award estimated at more than \$500m (about £210.5m).

LETTERS TO THE EDITOR

Higher patent fees may kill golden goose of invention

From Mr A. L. T. Cotterell
Sir, The effects of the frightening increases in patent fees to which Mr Robert Clark and Mr Bloxham draw attention (April 10) may have even wider and more serious consequences. They may render infertile the golden goose of invention and creativity.

The fundamental principle which led to the patent system was the encouragement of invention and its contribution to industrial innovation. It takes the form of a monopoly right which the inventor has for a number of years to make, sell or use the invention, either himself or through others better equipped.

In his dealings with industry, the patent has been a source of protection and a basis of negotiation for the patentee; a source of new products and processes for the manufacturer; and a fountain of social benefit and material advance to society as a whole.

What will be the effect if the cost of obtaining a patent is put beyond the reach of many inventors? Our nation supports its artists and authors with vast Treasury grants.

These may be justifiable, but it is not easy to justify positive discouragement of the inventor, who tends to be dismissed as a crank unless he produces a commercial success and whose route is strewn with expensive pitfalls already.

Yours faithfully,
A. L. T. COTTERELL,
Secretary,
Institute of Patentees and Inventors,
Whiteley Building,
165 Queensway,
London, W2.

Petrol money and insurance

From Sheila Terry
Sir, I read with great interest John Drummond's article of April 5. "The implications of a lift to work."

He makes the point that agreement was reached during the 1973-74 petrol shortage that the receipt of "petrol money" from a passenger would not invalidate a driver's insurance.

If consideration is given to all the advantages of car-sharing, such as the saving in fuel, the beneficial effects on our balance of payments, lessening of pressure on roads, the social and financial saving which would accrue if we could then build fewer roads and the lower maintenance costs on

those we already have, the need for fewer car parking spaces, and so forth, it must follow that urgent action should be taken to encourage car-sharing.

Encouraging car-sharing by agreement would be one way and other methods of encouraging life-giving activities could also be found. It seems that we could reap large benefits for very little outlay, so perhaps the body that was responsible for the 1973-74 agreement would like to take further action.

Yours faithfully,
SHEILA TERRY,
"Odsome",
Westcot Lane,
Sparsholt,
Wantage, Berkshire.

Not everyone was inefficient at the BNEC

From Mr R. Hodgson
Sir, No wonder your correspondent Gerald Simpson (April 9) had no time for the old BNEC whose main problem was the appalling inefficiency of overseas missions in providing trade information.

Time after time missions individuals had to visit overseas markets to get up-to-date information. The alternative official information was all too often much too general and much too late.

Industries which asked for help were usually told that there was no staff available except to report on general trading conditions and I myself when I asked for information from commercial attaches overseas, was on two separate occasions, asked to come back a couple of days when the hoped they would have obtained the information from their contacts in the United States Embassy which was "much better staffed with commercial experts."

I hope the position is no longer but certainly in the early days of BNEC many of our overseas diplomatic representatives were just not interested in trade or exports.

No one pretends the BNE was perfect—run on a shoestring—but many very experienced and conscientious executives gave many hours of voluntary work often at the expense of their own firms—and give my little thanks for them.

Yours, etc.
RALPH HODGSON,
Penelope, Uley,
Dursley,
Gloucestershire.

PO service

From Mr K. F. Orton
Sir, I am posted first-class in London NW2 on April 2, delivered first post. Leatherhead April 9. What a disgraceful service! Or is it? You see, I am posted to the town of county where I live.

I think the Post Office deserves a bouquet as a compensation for all the blots which have recently been thrown at it.

Yours faithfully,
K. F. ORTON,
Bransby,
Tytrills Wood,
Leatherhead.

Need to amend the Medicines Act

From Mr Norman A. Cox
Sir, The Medicines Act 1968 which for the purpose I wish to refer to came into effect in 1972 and made it unlawful for a manufacturer of medicines to carry on his business without a licence.

The Act is administered by the Department of Health and Social Security. The Minister has power to grant licences, to refuse them, to suspend licences they have granted or to revoke them. Thus they have power without compensation to put an established manufacturer out of business so far as medicine manufacturing is concerned.

The Act provides that manufacturers who were in business in 1972 the right to apply for "a licence of right" to manufacture those medicines they were already producing. As interpreted by the department, this right was valueless. Indeed manufacturers were discouraged from applying for a licence of right and few, if any, did.

A vast bureaucracy has grown up to administer the A. A. decisions are taken for the most part in practice by senior civil servants but inevitably, as they themselves are not pharmacists, they have to rely heavily

upon those persons of technical competence employed by the Ministry. There are now a considerable and growing number of pharmacists employed and conducting a supervisory role over the industry.

What safeguard is there, therefore, for any small manufacturer if he disagrees with those officials who administer the Act? In practice I am sorry to say there is very little safeguard. This must be a cause for public concern.

Faced with a proposal adverse to the interests of the manufacturer, say a proposal to refuse to grant him a licence, the Act provides that the manufacturer may either make written representations to the department or may request an oral hearing before an independent person appointed by the Minister.

But what value is this when that independent person, as happens in practice, confines himself to summarizing the applicant's contentions, without making any attempt to appraise the evidence put before him or put forward any views of his own or recommendations to the Minister?

He also in practice refuses to inspect the applicant's premises even though there may be

a substantial dispute between the manufacturer on the one hand and the inspectors of the department on the other as to whether those premises or the equipment are suitable for medicine production.

Once the Ministry has reached their provisional decision which gives a right to independent hearing, the officials of the Ministry themselves then refuse any further discussions with the applicant; only written representations are allowed and not oral ones. Thus the appeal procedure is not a help; it is a straight-jacket.

The whole matter is one of grave concern for the pharmaceutical industry. In my submission the only satisfactory solution will be an amendment to the Medicines Act, 1968, providing for a proper independent appeal procedure at which both sides should be represented.

The person holding the inquiry who preferably should be a lawyer should come to a decision based upon the evidence with a right of appeal to the courts.

Yours faithfully,
NORMAN A. COX,
38 Chancery Lane,
London WC2A 1EL.

System 32 aims at food and construction industries

Initial targets in the United Kingdom for International Business Machines' new System 32 small computer are the food, construction and wholesale food distribution industries. Standard application packages are being offered, at £4,242 and £3,300 respectively, for customers.

The food-industry package covers invoicing, sales accounting, sales analysis and stock control. For the construction industry the package includes costing, payroll, subcontractors' ledger, purchase ledger and general ledger.

Prices of the 10 System 32 models range from £18,333 to £22,597. They represent the smallest computers in IBM's product line.

Sales are expected from three categories of customer: inexperienced computer users who will use one of the two IBM industry packages; inexperienced users who will have their programmes written by

Computer news

outside software houses; and experienced users who will write their own programmes.

Three standard packages which were introduced with the System 32 in the United States are not being marketed in Britain. These cover hospital, membership organizations, and wholesale paper and office products applications.

Martin-Hoskyns link

A link between the Hoskyns group's computer centres in the United Kingdom and the American network operated by Martin Marietta Data Systems of Maryland is likely to be established following the acquisition of Hoskyns by the American company.

The two companies have worked together since 1971. MMDS is a subsidiary of Martin Marietta Corporation of Rockville, Maryland, whose main operations are in aerospace, aluminium, chemicals, cement and aggregates.

Hoskyns, whose 1975 turnover is expected to be £3.4m, will continue to operate under its present name. MMDS operates an extensive IBM network in the United States and has a data processing budget of about £12.5m.

As well as the transatlantic link, the two companies plan to do systems development work in Britain for the United States market; and to introduce new business systems.

Univac for Ford

A £200,000 order for a Sperry Univac 90/30 computer system has been placed by Ford Motor Co. The machine will be used to

develop application programs covering warranty claims, dealer statistics, sales statistics and general accounting.

The 90/30 will be linked to two IBM 370/158s at Warley, Staffordshire, for communications testing during program development.

ESRO software deal

The software contract for the European Space Research Organization's Meteosat computer system (reported in this column on February 25) has been awarded to the international consortium led by SESA of France.

Logica of London is a member of the consortium. A "ceiling price" of about £1.2m for the contract is being quoted by ESRO, but a more accurate figure is believed to be about £1.8m.

Kenneth Owen

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It is not an invitation to any person to subscribe for or purchase shares or other securities. No Common Shares of Bell Canada are currently being offered for purchase or subscription either in any of the centres mentioned below or otherwise.

Bell Canada

(Incorporated in Canada by Special Act of the Parliament of Canada)

Capital Stock

By Charter \$1,750,000,000
divided into Common Shares of the par value of \$25 each and into Preferred Shares.

By Shareholders \$1,750,000,000
divided into Common Shares of the par value of \$25 each and into (a) not more than 4,000,000 of a class of Preferred Shares to a maximum aggregate amount of \$100,000,000; (b) not more than 9,000,000 of another class of Preferred Shares to a maximum aggregate amount of \$225,000,000; and (c) not more than 12,000,000 of another class of Preferred Shares to a maximum aggregate amount of \$300,000,000.

Application has been made to the Council of The Stock Exchange in London for all the issued Common Shares of Bell Canada to be admitted to the Official List.

The Common Shares and Preferred Shares of Bell Canada are already listed on the Montreal, Toronto and Vancouver Stock Exchanges and the Common Shares are also listed on the Amsterdam Stock Exchange. Applications are being made for all the issued Common Shares of Bell Canada to be listed on the Stock Exchanges in Brussels, Frankfurt, Düsseldorf, Paris and Zürich.

Full Particulars are available from Extel and Moodies Statistical Services and can also be obtained from:—

Hambros Bank Limited

51 Bishopsgate, London EC2P 2AA

or from

W. Greenwell & Co.

Bow Belis House,
Bread Street, London EC4M 9EL.

Akzo nv registered offices at Arnhem

The annual general meeting of stockholders will be held on Tuesday, 8th May, 1975 at 10.30 a.m. at the RAI Congress Center, 6 Europaplein, Amsterdam. Facilities for simultaneous translation into English and German are available.

- Agenda
- 1 Opening of the board of management for the 1974 financial year
 - 2 Approval of the balance sheet and statement of income, with notes; consideration of the dividend proposal
 - 3 Determination of the number of members of the supervisory council
 - 4 Appointment of members of the supervisory council
 - 5 Change in the composition of the board of management
 - 6 Annual decision concerning issues as required by the London Stock Exchange*
 - 7 Other business

* annually recurring agenda item in compliance with the requirements of the London Stock Exchange concerning the listing of Akzo shares on that stock exchange.

The agenda, the signed annual financial statements, as well as a list of personal data on the nominees for the supervisory council are available for inspection by stockholders at the Company's office, Jusselleen 82, Arnhem.

There are through the undermentioned banks stockholders may obtain free copies of the aforesaid documents and of the annual report.

Stockholders who wish to attend the meeting should deposit their shares in order to establish their identity not later than Tuesday, 29th April, 1975 for a period of seven days at the Company's office at Arnhem, Jusselleen 82, and with the following banks:

In the Netherlands with Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Nederlandse Credietbank N.V. and Pierson, Holding & Pierson in Amsterdam, Rotterdam.

The Hague and Arnhem, in so far as said banks have offices in:

- In the Federal Republic of Germany and in West Berlin with Deutsche Bank AG, Berliner Disconto-Bank AG, Bank für Handel und Industrie AG, Berliner Handels-Gesellschaft-Frankfurter Bank, Dresdner Bank AG, Sal. Oppenheim jr. & Cie and Sauriandische Kreditbank AG in Frankfurt a. Main.
- West Berlin, Düsseldorf, Cologne, Hamburg, Saarbrücken and Wuppertal.

- In Belgium with Generale Bank-maatschappij N.V., Bank van Parijs en de Nederlanden België N.V. and Kredietbank N.V. in Brussels and Antwerp.
- In Luxembourg with Banque Générale du Luxembourg.

- In the United Kingdom with Barclays Bank Limited, 54, Lombard Street, London EC3P 3AH.
- In France with Lazard Frères & Cie, Banque de Suez et de l'Union des Mines, Banque Nationale de Paris and Crédit Lyonnais in Paris.

- In Austria with Creditanstalt-Bankverein in Vienna.
- In Switzerland with Swiss Credit Bank, Swiss Bank Corporation, Union Bank of Switzerland in Zürich and Basle and their branches and also with Fictet & Cie in Geneva.

- In the United States of America with The Chase Manhattan Bank N.A. in New York, N.Y. Copies of the annual report will also be available for collection by stockholders during the period up to 8th May, 1975 at N.M. Rothschild and Sons Ltd., New Court, St. Swithin's Lane, London EC4P 4DU.

The Supervisory Council

Arnhem, 15th April, 1975



BY THE FINANCIAL EDITOR

Rio Tinto and world metal prices

minating Rio Tinto's 1975 prospects is the course of metal prices. This is an area of affairs which is likely to continue until the group has moved away from its present position in new developments. Until 1977 will there be the real benefits of the North American metal market? The major interest while the major metal prices improve in current levels—copper is £550 compared with £528 a year ago for 1974—will be the pre-tax profit of £27.5m. Most certain with the group's improvement seen by important activities such as being swallowed up. At any fall could well be the loss of the group's metal price agreement and the more speculative metal price being paid towards the mining industry by the Australian Government. Canada, however, is likely to move in the direction of the short-term metal price in the British market, particularly upon the Lornax copper mine.

metal prices can only reflect a underlying level of present expected world economic activity. There is no present one. At Hammersley, one possibility of former is thanks to the negotiators with the Japanese on iron prices. Production of a Peru, Zambia and Zaire, or to have had little effect, although this is a possible term solution if its scope is increased.

1974/1975
Capitalization £219m
Sales £116.5m (£27.5m)
Pre-tax profit £27.5m (£22.5m)
Dividend gross 7.42p (£6.60p)

ner & Newall

oking for e returns

undoubtedly presented and detailed accounts from T. & Newall should provide a picture with plenty to get into, particularly in terms of geographical spread of operations and the impact of accounting on group results.

There is no breakdown how the return on capital in United Kingdom itself—profits here after losses of £60,000 at Newall's—were up from £7.2m to £10.4m. The return on capital for the group's European operations is shown at 10.4 per cent (up from 8.8 per cent) at a return of 29.1 per cent (up from 24.7 per cent) for the rest of the world.

can one really argue that the size of the group is anational quick. A return of 10 per cent on European operations (excluding Newall's) might be partly put to the ravages of three working, but the 10 per cent return on the group's operations, which in last year have pushed profits up to £4.9m and return to more than 28 per

cent over 14 per cent, looks appreciably healthy. But even this is not that outstanding for a year that T. & N. itself admits was exceptional.

As far as inflation accounting is concerned, the most obvious point to emerge is that the group's profits last year would have come out at £4.7m against a reported £10.5m (after an effective tax charge of 70 per cent and despite a £7.5m monetary gain) and that, in part, this was due to the group's payment was held at £4.8m.

As terms of company year prospects, T. & N. obviously faces soft demand in a number of areas. Just how soft remains to be seen, but T. & N. is looking for an end to the group's by its customers by the spring and should also have better results from the North American associates as well as loss elimination in the latter half of last year to limit any downturn. Meanwhile the shares yield 11 per cent at 10.5p.

Accounts: 1974/1975
Capitalization £65.7m
Net assets £127m (£106m)
Sales £50.5m (£43.1m)
Pre-tax profit £21.5m (£20m)
Dividend gross £1.9m (£1.1m)
Earnings per share 15.2p (£16.2p)

Glaxo

Profits are static

Glaxo upset the stock market in the late afternoon session, but while expectations from the big pharmaceutical group had not been high—estimates were for around 10 per cent more at the pre-tax profit level—the actual outcome was a static, lower profit. Glaxo shares promptly shed 20p to 38.2p and are left looking none too secure at that level on an historic p/e ratio of around 12 and yielding a prospective 3.4 per cent.

Glaxo's problem is a familiar enough one. It kept sales moving ahead (excluding whole sales)—by 21 per cent over sales and by 13 per cent in a weaker home market. But costs and delays in getting price increases through in various markets took a severe toll on the margin. Trading profits at £20.2m were up only 3 per cent.

The question of course is whether with the help of price increases now obtained in the United Kingdom and hopefully coming through in important overseas markets, Glaxo can earn a more reasonable return on its investment. Certainly demand is still there but beyond that it is a matter for debate. While that uncertainty lasts, one might expect the shares to find a lower level—albeit temporarily.

1974/1975 (1973/74)
Capitalization £253m
Sales £146m (£121m)
Pre-tax profit £18.06m (£18.16m)
Dividend gross 4.7p (4.2p)

Reckitt & Colman

Feels the draught

Reckitt & Colman's hefty overseas profit content, the traditional justification for the group's premium stockmarket rating, was not enough to save it from a profit shock last year. Not only that, but the share price, even after yesterday's 10p drop to 25.2p, looks vulnerable on its historic p/e ratio of around 11.4.

A £32m drop in second half pre-tax profit, following a year's local loss to £2.4m, adjusted for acquisitions, matched the market's worst expectations. After the 30 per cent fall in United Kingdom profits reported for the first six months, the

full year decline was around a third, the blame being placed squarely on domestic price control coupled with massive wage inflation.

In terms of relative performance, United Kingdom household products fared worst with a fall of nearly half, although that included a £600,000 item for closure and redundancy expenses. But the other British divisions—pharmaceuticals, toiletries and food—hardly did any better, although industrial products showed improved results.

Overseas the group's performance was happier, with North America producing £8m at trading level against £4.4m, the main benefit of which was felt in the first half of the year. Profits were up by more than two fifths in Europe and by around a quarter in the rest of the world, although the devaluation of the Australian dollar cost the group £0.9m in exchange losses.

Interest charges were well up at £3.8m, although the sale of Olivin in Germany helped ease the rate of increase in the second half of the year.

For the current 12 months the picture is unhappy, with every prospect that Reckitt's overseas earnings buffer will feel the draught as well. It is looking for a fairly hefty fall in sterling, then the shares might be worth holding, although the relatively high p/e and low yield of 4.7 per cent are not helping matters.

Final: 1974/75 (1973/74)
Capitalization £152.6m
Sales £334m (£259m)
Pre-tax profit £29.15m (£29.16m)
Earnings per share 21.4p (23p)
Dividend gross 12.08p (10.74p)

Sheffield Twist

The demand picture

Land sales in Australia worth £308,000 rather than Sheffield Twist Drift's reported net profits for 1974, but eliminating that factor, the second half still seems to have been a good one, strong enough to first. The pre-tax profit increase accelerated from 19 per cent to 37 per cent between the two halves.

Recovery from the effects of the three-day week is part of the reason, though orders have apparently shown no sign of slackening after the initial surge which followed short-time working. This applies to demand from the United Kingdom, where the steel industry has been unable to rebuild its stock while coping with new demand. It may offer some buffer for the group even if home demand should ease later in the year.

Work product and orders in hand already offer a virtual guarantee of a good first half this year. Overseas orders seem to be holding up very well too, particularly in the United States and Canada and turnover is now spread about 50:50 between home and overseas.

Meanwhile, the high flow of orders going to customers rather than to stockbuilding appears to have left Sheffield's working capital position quite good. But a five-year corporate investment plan has not yet been implemented. That will require external finance of some sort, but it need not be too much of a burden to the group now at 44p they yield 10.4 per cent on a soundly covered dividend.

Final: 1974/1975
Capitalization £5.9m
Sales £13.67m (£11.82m)
Pre-tax profit £1.85m (£1.44m)
Earnings per share 6.7p (£5.7p)
Dividend gross 4.50p (4.1p)

Frank Vogl describes the far-reaching controls on the industry

Why America's new pensions law has fund managers worried

Great concern is being caused in the United States over the likely impact of the Employee Retirement Income Security Act of 1974 on the pension funds industry and indirectly on the stock markets.

The Act is seen by trade unions, government officials and experts in the pensions field as being of historic importance. It is a complicated measure and in some respects confusing, and as experts examine it they are becoming increasingly worried about its implications.

There is much about the new legislation that should be of interest to British pension experts and businessmen. American private pension funds manage some \$150,000m of investments, while the total is raised by a further \$70,000m by state and local government funds. These large amounts were almost totally unregulated before the new Act and while state and local government pension plans are not covered by the Act, the private funds will almost certainly be affected by it.

Some 50 per cent of the United States workforce is not covered by pension plans and there is nothing in the new law to force the creation of pension schemes. The law clearly defines who is responsible for the management of pension funds and the functions of trustees and investment managers, thus ending an old confused situation.

Contributors to pension funds now clearly know who is liable for any mismanagement and for the first time they are in a real position to take action against irresponsible fund managers.

Many employers for long saw pensions as a burden and refused to pay them to employees who sought to leave their companies before

reaching retirement age. Under trade union pressure, employers gradually became a non-forfeitable right, but the new Act finally establishes this as law for all companies running pension plans.

The Act greatly improves vesting procedures, ensuring that a man who is part of a pension scheme for a number of years does not lose all his pension rights on moving to another employer. The law also increases eligibility rules, enabling more people to become part of pension schemes.

Furthermore, the law makes sure that contributions to pension funds are not left without a penny in the event of their funds going bankrupt. A new government agency has been established that to some extent provides security of pensions through reinsurance.

Provisions of the new law require companies with pension funds to have adequate funding arrangements and for companies which before took a somewhat slow and high-risk attitude towards funding the provisions of the new law may prove expensive.

It is significant, however, that only about 20 per cent of existing United States pension plans will have to be changed to meet the requirements of the law and to a large extent most companies have in fact been ahead of past laws in structuring and running their pension funds.

The new Act will cost all companies with pension funds more money, but apart from possible increased funding costs, and the possible cost of insurance against suits, the new expenses are unlikely to be great. For the first time pension fund managers are forced to disclose details of investments and this is one of the most important provisions and one that will involve some administrative expense.

Participants in pension plans

are now entitled under the new law to receive regular updated summaries of their fund's investments, basic plan changes, accrued benefits, vested benefits and almost all other significant documents and data. It was almost impossible for a participant in a plan to sue the managers in the past for irresponsible investment policies, because participants were denied all the important information.

Now the situation has radically changed and one of the chief worries of pension fund managers centres on the possibility of law suits, which could be very expensive. At the moment, insurance policies to cover possible suits are under discussion in the industry.

According to some pension experts the insurance companies so far appear unwilling to extend adequate coverage to protect fund managers from major suits. Quotations are being discussed of coverage of up to \$15m a year, at premiums ranging between \$75,000 and \$200,000, which is a large expense for small companies.

The law introduces the "prudent man rule", meaning that fund managers can be sued if they invest imprudently. This is a vague term, worrying trust managers greatly and one which only the courts will in time define more precisely.

The threat of suits makes most people in the pension fund business believe that big changes will now take place in how funds are invested and how they invest them. The risks of legal action are seen as sufficient to make already have made some companies think again about starting new pension plans since the law was passed. Some other small companies are now considering merging their pension funds into larger funds fully operated by big banks.

There are about 4,000 banks involved in the management of

pension funds, but about 20 actually handle about two thirds of the total \$150,000m volume.

About 20 per cent of the funds in private plans are managed by insurance companies. The remaining 80 per cent are managed by banks, but about a quarter of this volume is actually invested by independent non-bank people, with the bank trust departments managing the rest.

Because of the risks of suits over imprudent policies it appears that many banks have decided that they will act as custodians for pension funds only if they either directly have a voice in the investment of the funds or if they are satisfied with the technical investment skills of the independent advisers. This in fact means that many companies will give the banks a greater say in how their pension funds are managed and many independent investment advisers will go out of business.

But, as experts in the industry are swift to point out, this is no bad thing. They suggest that many independent advisers and a good number of banks, for that matter, have often been too cavalier with the investments of pension funds and it is high time that stricter controls were imposed.

It could well be that much of the publicity now being focused on the question of law suits is more a product of the poor performance of some pension funds than a consequence of the new law.

The stock market decline of the last few years has in some cases wiped 40 to 50 per cent off the market value of pension fund investments. The re-examination of pension fund investment policies is now in progress. A few years ago pension funds were in equities possibly to the extent of 75 per cent or even more of

all their funds, but this is changing quickly.

Today the average pension fund's investments are spread about 65 per cent in company shares, 20 per cent in long-term fixed interest bearing securities, 10 per cent in short-term money market instruments, such as commercial paper and treasury bills and 5 per cent in real estate and diverse other assets.

Many experts now believe that a higher proportion of funds will go into bonds and that a more careful selection will be made of equities to be bought, with the trend more towards such old favourites as General Motors and away from those once glamorous high-flyers such as Xerox, Polaroid or even IBM.

The "prudent man rule" could therefore lead to more defensive and more conservative investment policies, with large scale consequences for the stock markets and particularly for new public companies, which, in order to grow, desperately need some of the extensive resources of the pension funds.

Performance, however, is still likely to be an important consideration for all pension fund managers. Good performance can reduce the liabilities of the companies whose pension funds are being managed by the banks, insurance companies and independent advisers. Performance will also count because of the intense competition between all these groups for the pension fund business.

But thanks to this new landmark legislation the fund managers must now, more than ever, consider the security they provide for recipients of pensions. Thus, added to performance, will be investment expertise, all-round service to provide disclosure of information and sufficient financial means to digest the costs of any possible lawsuits.

Business scandals the price of Italy's advance?

John Earle

about achieving quick results—one of his phrases is: "Italy is the cradle of the law and the cradle of justice."

Working with a more senior examining judge, Dr. Ottavio Urbici, he is at present, according to his own account, engaged on six investigations into financial or economic offences:

1. Into the affairs of Signor Sindona, who formerly controlled Banca Privata Italiana and the property company Societa General Immobiliare. Dr. Viola is pressing for Signor Sindona's extradition to face a charge of fraudulent bankruptcy.

2. Into allegations that the Sindona group gave unaccounted for financing to the Christian Democrats or other political parties.

3. Into alleged peculation by former Senator Verzotto and his former director-general and administrative director at EMS. This case arose from an article in *Panorama* last December, which alleged that Banca Unione of the Sindona group had paid interest rates to certain individuals (whom it named) on thousands of millions of lire deposited by EMS. Dr. Viola said Banca Unione appeared to have paid, openly, interest of only about 5 per cent on thousands of millions of lire at a time when levels nearer 10 per cent were common.

4. And 5. Into similar allegations by *Panorama* of "black" interest paid by Banca Unione on deposit accounts belonging to Gescal and Finmeccanica. The magazine published the names of purported recipients and the sums involved. Gescal is a public corporation intended to provide low cost housing, while Finmeccanica is the engineering division holding company of the huge Istituto per la Ricostruzione Industriale Parastatal

group. Dr. Viola said both inquiries were at an early stage and he declined to disclose names of who might be implicated.

6. Into the affairs of Ugo de Luca of the Banco di Milano (now in liquidation), who has been accused of misappropriation. The press have written of a missing sum of some £2m.

Dr. Viola makes the point that the Italian judiciary has had little training for dealing with cases as complex as these. He has constantly come up against the wall of banking secrecy and maintains he has made little headway in obtaining information about alleged dealings between the National Westminster group and Sindona affiliates. In London, it should be added, National Westminster has denied all along any involvement in Sindona group losses.

Magistrates like Dr. Viola feel they have at their disposal very inadequate legislation to back up their increasing preoccupation with modern economic crime. Much of Italian law dates from the time when free initiative and private enterprise really were free and private.

The outcome is a curious patchwork, in which, however, some provisions can be severe. For example Law 262 of March 16, 1942, passed by the fascist regime, laid down imprisonment of up to 15 years for fraudulent bankruptcy, while the civil code is punctilious in punishing company administrators who provide false information or falsify accounts.

Yet, for almost anything else to do with companies the law can be most unsatisfactory. Dr. Viola sees the magistracy as a jurisdictionally unprepared in the face of modern multinational corporations. The law, unfortunately, the state still suffers from the image of being a machine to oppress the citizen, so that whereas "in the United States it has been possible to get at gangsters and racketeers through taxation

charges, in Italy it is considered intelligent to defraud the Inland Revenue."

In Dr. Viola's investigations ministers or members of Parliament have not been directly involved, but the scandals which were making the headlines a year ago about the reported bribery and corruption of politicians by the oil companies and the sugar barons.

A brief time a warrant was out for the arrest of Signor Vincenzo Cazzaglia, former chairman of Esso Italiana and president of the oil companies lobby Unione Petrolifera, but it was later withdrawn and both the oil and sugar affairs were referred to a judicial inquiry commission, dominated by the Christian Democrats, since when little has emerged.

A tug of war has been going on between the judiciary and the parliamentary inquiry commission as to who should investigate alleged payments to politicians out of Montedison's unaccounted for "black funds" under the Valerio management. Though the present chairman, Eugenio Cefis, was not then with Montedison, he is the subject of persistent controversy in the press.

A recent best-selling book, *Razza Padrona*, by two journalists, Eugenio Scalfari and Giuseppe Turani, mounted a fulsome attack on the management methods, while at the Communist congress in Rome in March Pietro Ingrao of the party leadership openly declared that Montedison had "deliberately violated the price freeze and defrauded the state".

Signor Cefis does not bother to reply to such broadsides. In his defence, however—and in defence of the industrialist class as a whole—it can be argued that Italian regulations have become so complex, petting and often apparently illogical, that to observe them to the last detail would nullify initiative and would probably have made the industrial advance of the 1950s impossible.

Business Diary: Chrysler's hand-out • Keeping time

of angry phone calls between motor industry executives yesterday. And the war was all directed at Chrysler, director of Chrysler's operations in the United Kingdom. Opponents believe that in giving a cash rebate of £70 a directly by the manufacturer to buyers of new cars—Chrysler has opened a pass which British Leyland and Vauxhall have ded so stubbornly for the three months.

Chrysler's Detroit introduction of a similar car in the United States, at the beginning of the year it had not only industry shuddering, a panic measure, it was

say their hand. It is known that a rebate scheme was agreed and discussed with some of the company's dealers more than two months ago.

But Chrysler's precarious financial position and its lack of new models with which to tempt customers finally changed the day. Announcing the cash giveaway, Ellison said: "We feel that customers are looking for bargains and we intend to satisfy their demands. Only in this way will we put new life into the present depressed state of the market."

But last night the sales director of a rival car manufacturer said: "We have been dreading this. It opens the door to cheque book selling. If Chrysler's gamble proves successful none of us can afford to leave them with a clear field and we shall have to follow suit."

The biggest danger is that attractive cash giveaways will simply advance buying which normally takes place later in the year. It is not expected to increase the total market.

On the other hand Chrysler's problems are immediate. With all their car factories now back on to a five-day week they must keep stockpiles of unsold cars under very tight control.

A return now to the extensive short-time working of the first three months of 1975 could bring a sharp reaction from the unions.

Broking merger

If the time invested in it is anything to go by, the merger announced yesterday between London brokers Heseltine, Powell and Moss, Scriven and Reading ought to be highly

successful. They have been talking for several months already and the deal is not expected to be complete until September.

Both firms want to put their administration on to a computer, and reorganizing the private client business that comes to them—especially Heseltine—through the new firm will have 11 partners and a staff of around 60.

There will be few redundancies, but Heseltine's present senior partner, Vernon Laurie will retire, as will Moss Scriven's Benjamin Barnett. Moss will provide the new senior partner of the combined firm, Robert Craig.

Soaring London rents have impelled the new firm to set up its headquarters in Reading, but there will be branches in London, Oxford, Gloucester and Newbury.

Peter Warren of Heseltine says he does not expect stock market business to slump back to last autumn's depths when nothing save recouping their

overheads. But in the next six months at least he does not expect a boom either. Let us hope the new firm's faith in private clients who now find it fearfully expensive to deal in the stock market will prove justified. Happily, both firms are still making money.

Sugar mouthful

The European Community's most voluminous and complex legal case opened before the Luxembourg yesterday. This week the Community's 16 lead sugar manufacturers will contest record fines totalling \$10m (more than £4m) imposed for allegedly operating a European-wide cartel.

It has already taken some two years for the court to go through all the written procedures with the sugar companies and the European Commission's anti-trust department. The court is still not sure this week's oral hearings will end on Friday night as planned. But assuming that no further oral hearings are required the next important stage in the case

should take place in June when the court's advocate general will sum up the facts of the case and advise the court how to rule.

Final judgment, also expected to be the bulkiest in the court's 23 year old history, would then be made public at the end of the year, three years after the Commission imposed fines on the sugar companies.

Bell's way

Harold Harris, Bell Canada's treasurer, was telling a story yesterday about how he had recently found himself apologizing to a visiting French banker, whose telephone had not been installed in his temporary home in Canada until the third day of his trip.

The banker was taken aback. In Paris, he said, it would take 18 months to install a telephone. "And I've got influence," he said.

Such stories illustrating the famed efficiency of the Canadian telephone system, which Bell dominates, are already familiar in Europe. But Bell still feels it is relatively little known and to rectify the situation is now obtaining listings for its shares on the stock exchanges of London, Brussels, Paris, Frankfurt, Dusseldorf and Zurich.

Bob Scriven, Bell's chairman, who is in Europe in connection with the listings, claimed "with all modesty" that Canada has the best and the lowest cost telecommunications in the world, which, in turn, claims quite a lot for his company since it provides about 70 per cent of all telephones in Canada.

New issues, page 22

The Expanded Metal Company Limited

Eighth Successive Year of Record Turnover and Profits

	1974	1973
Net sales	(22% up) £16,892,000	£13,839,000
Group Profit before Tax	(30% up) £2,458,000	£1,895,000
Profit after Tax and before Extraordinary items	(28% up) £1,180,000	£923,000
Earnings per share before Extraordinary items	7.82p	6.18p
Dividend to Ordinary Shareholders	(10.27%) £389,000	(9.26%) £346,000
Net Assets	£8,115,000	£6,810,000
Profit before Tax as a percentage of Net Assets	30.29%	27.83%

Extracts from the Statement by Sir Patrick Hamilton, the Chairman, on the year ended December 31, 1974

We intend to increase our market penetration and thus earn the extra profits essential to maintain employment and earn the cash needed in current inflationary conditions. I am confident that our long term prospects are good.

The Expanded Metal Company Limited - Industrial and Building sales were maintained at a high level throughout the year. West Midlands Steel Stockholders Limited - During 1974 our Stockholding Division increased its contribution to the Group results. Further warehouse facilities are nearing completion which should make our Stockholding Company one of the best equipped and most efficient service centres in the United Kingdom.

The Expanded Metal Company (Export) Limited - Our Export Company maintained its record of success with a turnover of £1,885,000 - a 44 per cent increase over the previous year. Increased resources now devoted to exports are already reflected in improved performance.

◆Expamet

GROUP GOLD MINING COMPANIES

(All companies are incorporated in the Republic of South Africa)

Reports of the directors for the quarter ended 31st March 1975

TRANSVAAL

VAAL REEFS EXPLORATION & MINING COMPANY LIMITED

ISSUED CAPITAL: 10 000 000 shares of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 6 010 000 Grade 10.6 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	Year ended Dec. 1974
Tons milled	1 324 000	1 437 000	5 891 000
Gold produced—ag.	12 252	12 192	47 854
Revenue per ton milled	R13.78	R13.79	R13.78
Revenue	R18 239 000	R19 703 000	R80 912 000
Cost	R18 239 000	R19 703 000	R80 912 000
Profit	—	—	—

URANIUM OXIDE

Tons treated	841 000	929 000	3 538 000
Uranium produced—ag.	0.23	0.23	0.23
Profit—Loss on sales	R27 000	R184 000	(R100 000)

FINANCIAL RESULTS

Working profit—Gold	R18 228 000	R40 031 000	R128 945 000
Working profit—Uranium	—	—	—
Net sundry revenue	1 025 000	1 025 000	3 159 000
Product	19 501 000	41 186 000	132 073 000
Royalty in South-West Africa	—	—	—
Profit before taxation and State's share	19 155 000	40 676 000	129 263 000
Taxation and State's share—estimated	6 919 000	19 880 000	62 881 000
Profit after tax and State's share—estimated	R12 236 000	R20 796 000	R66 382 000
Capital expenditure	R5 895 000	R5 457 000	R21 806 000
Dividends declared—amount	—	R22 800 000	R81 890 000
Dividends declared—per share	—	1.00 cents	2.20 cents

CONSOLIDATED PROFIT

Estimated consolidated profit after taxation and State's share of profit of the company and its wholly-owned subsidiary, Western Reefs Exploration Company Limited	R12 262 000	R20 814 000	R66 399 000
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DEVELOPMENT

	Advance metres	metres	channel width cm	gold value g/t	uranium value g/t	gold value g/t	uranium value g/t
Vaal Reef Shaft area							
No. 1 (North)	1 764	198	16.5	148.67	6.12	2 453	101.03
No. 2 (North)	2 375	68	60.0	43.40	1.11	3 544	66.54
No. 3 (North)	2 025	210	49.9	15.13	1.15	755	57.14
No. 4 (North)	3 758	538	12.8	75.31	4.01	964	51.31
No. 5 (North)	242	—	—	—	—	—	—
No. 1 (South)	5 592	606	78.1	34.37	1.17	2 884	91.05

Quarter ended March 1975	15 076	2 238	48.8	41.52	1.47	2 026	71.69
Quarter ended December 1974	29 171	2 384	40.8	45.96	1.34	1 967	53.03
Year ended December 1974	108 586	11 034	43.1	48.86	1.41	2 106	60.87
Quarter ended March 1975	271	18	14.0	57.64	2.89	807	37.51
Quarter ended December 1974	177	68	12.2	122.95	2.95	1 500	36.00
Year ended December 1974	1 023	808	9.9	91.92	2.54	910	25.15

DIVIDEND PAID

The dividend of 120 cents per share declared during the quarter ended 31st December 1974 was paid on 6th February 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R29 000 000. Orders placed and outstanding on capital expenditure contracts as at 31st March 1975 totalled R15 811 000.

PRODUCTION

On 12th March 1975 there was a breakdown in the conveyor system to the West production plant and milling at that plant was temporarily suspended. Although the milling rate at the two other production plants was increased there was a loss in production of some 20 000 tons during the quarter.

The extent of labour caused by the disturbances in January affected the results for the first quarter when compared with the previous quarter. The effects were anticipated in arriving at the above forecast of production for 1975, as published on 10th February 1975. The forecast took into account the low grade of milled tonnage drawn from reserve stockpiles and dumps to minimise the loss of milled tonnage and also the reduced rate of waste stripping. These factors together with the lower grade of the ore reserves, calculated at a per cent limit based on R 7000 a tonne, have resulted in a forecast of 10.6 grams per ton being forecast for 1975.

It is expected that the normal production level will be restored by the end of the second quarter.

VAAL REEFS SOUTH

Included in the above are the following figures in respect of the South Lease Area:

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 1 350 000 Grade 11.0 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	Year ended Dec. 1974
Tons milled	241 000	241 000	927 000
Gold produced—ag.	10 57	10 21	31 22
Revenue per ton milled	R13.78	R13.79	R13.78
Revenue	R33 200 000	R33 200 000	R125 200 000
Cost	R33 200 000	R33 200 000	R125 200 000
Profit	—	—	—

DEVELOPMENT—SOUTH LEASE AREA

	Advance metres	metres	channel width cm	gold value g/t	uranium value g/t	gold value g/t	uranium value g/t
Vaal Reef Shaft area							
Quarter ended March 1975	5 592	606	78.1	34.37	1.17	2 884	91.05
Quarter ended December 1974	9 355	548	62.8	51.03	0.81	2 880	75.10
Year ended December 1974	41 411	3 676	87.1	41.27	0.97	7 724	84.92
Quarter ended March 1975	271	18	14.0	57.64	2.89	807	37.51
Quarter ended December 1974	177	68	12.2	122.95	2.95	1 500	36.00
Year ended December 1974	1 023	808	9.9	91.92	2.54	910	25.15

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R18 000 000. Orders placed and outstanding on capital expenditure contracts as at 31st March 1975 totalled R9 700 000.

For and on behalf of the board
D. A. ETHEREDGE, Directors.
15th April 1975

SOUTHYAAL HOLDINGS LIMITED

The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited, set out above.

WESTERN DEEP LEVELS LIMITED

ISSUED CAPITAL: 25 000 000 shares of R2 each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 3 240 000 Grade 14.5 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	Year ended Dec. 1974
Tons milled	710 000	742 000	3 020 000
Gold produced—ag.	10 227	11 769	43 718
Revenue per ton milled	R20.32	R20.32	R20.32
Revenue	R14 428 000	R15 088 000	R61 590 000
Cost	R14 428 000	R15 088 000	R61 590 000
Profit	—	—	—

URANIUM OXIDE

Tons treated	150 000	150 000	616 000
Uranium produced—ag.	0.23	0.23	0.23
Profit—Loss on sales	(R11 000)	1 303 000	1 303 000

FINANCIAL RESULTS

Working profit—Gold	R23 084 000	R26 943 000	R114 138 000
Working profit—Uranium	—	—	—
Net sundry revenue	1 303 000	1 303 000	1 303 000
Product	24 387 000	28 246 000	115 441 000
Profit before taxation and State's share	23 838 000	26 943 000	113 508 000
Taxation and State's share—estimated	12 287 000	21 946 000	64 054 000
Profit after tax and State's share—estimated	R11 551 000	R15 000 000	R51 454 000
Capital expenditure	R3 318 000	R3 703 000	R15 013 000
Dividends declared—amount	—	R22 800 000	R81 890 000
Dividends declared—per share	—	0.90 cents	1.60 cents

DEVELOPMENT

	Advance metres	metres	channel width cm	gold value g/t	uranium value g/t	gold value g/t	uranium value g/t
Carbon Leader Shaft area							
No. 3	2 126	238	30.5	6.51	0.90	322	28.35
Quarter ended March 1975	6 661	242	36.7	86.81	0.87	3 175	35.72
Quarter ended December 1974	8 983	344	26.3	145.08	1.36	3 620	34.32
Year ended December 1974	37 851	1 296	25.4	144.21	1.56	3 663	34.63
Quarter ended March 1975	1 173	70	12.1	12.83	—	2 413	—
Quarter ended December 1974	1 787	198	103.2	24.25	—	2 503	—
Year ended December 1974	1 710	272	62.1	37.28	—	2 516	—
Year ended December 1974	8 399	622	50.8	33.96	—	1 793	—

DIVIDEND PAID

The dividend of 90 cents per share declared during the quarter ended 31st December 1974 was paid on 6th February 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R18 000 000. Orders placed and outstanding on capital expenditure contracts as at 31st March 1975 totalled R10 561 000.

UNDERGROUND FIRES—NO. 2 SHAFT

The No. 2 shaft, longwall stage, sealed after the fire in November 1974, was back in full production at the end of February 1975.

Further fire started in the No. 2 shaft longwall stage on 18th January 1975 and the area was sealed off. This stage has since been re-opened and should be completely rehabilitated by the end of April 1975.

PRODUCTION

There was a loss of production of 75 000 tons during the quarter as a result of the two underground fires and the continued shortage of Black labour.

URANIUM

Uraniun are dependent upon sales which vary from quarter to quarter.

For and on behalf of the board
D. A. ETHEREDGE, Directors.
15th April 1975

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

ISSUED CAPITAL: 3 300 000 shares of 33 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 1 100 000 Grade 5.1 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	Year ended Dec. 1974
Tons milled	233 000	230 000	1 068 000
Gold produced—ag.	1 122	1 130	4 382
Revenue per ton milled	R18.00	R18.00	R18.00
Revenue	R4 194 000	R4 140 000	R18 336 000
Cost	R4 194 000	R4 140 000	R18 336 000
Profit	—	—	—

FINANCIAL RESULTS

Working profit—Gold	R44 000	R1 510 000	R4 930 000
Working profit—Uranium	—	—	—
Net sundry revenue	—	—	—
Product	44 000	1 510 000	4 930 000
Profit before taxation and State's share	44 000	1 510 000	4 930 000
Taxation and State's share—estimated	34 000	691 000	2 060 000
Profit after tax and State's share—estimated	R10 000	R819 000	R2 870 000
Capital expenditure	R182 000	R211 000	R821 000
Dividends declared—amount	—	R1 502 000	R2 804 000
Dividends declared—per share	—	42.5 cents	85 cents

DEVELOPMENT

	Advance metres	metres	channel width cm	gold value g/t	uranium value g/t	gold value g/t	uranium value g/t
Quarter ended March 1975	2 108	1 080	39.6	13.08	—	518	—
Quarter ended December 1974	2 512	2 450	53.2	7.95	—	307	—
Year ended December 1974	11 786	676	67.6	7.73	—	423	—

DIVIDEND PAID

The dividend of 42.5 cents per share declared during the quarter ended 31st December 1974 was paid on 6th February 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R250 000. Orders placed and outstanding on capital expenditure contracts as at 31st March 1975 totalled R200 000.

PRODUCTION

The continued shortage of labour has affected the results for the quarter.

For and on behalf of the board
D. A. ETHEREDGE, Directors.
15th April 1975

EAST DAGGAFONTEIN MINES LIMITED

ISSUED CAPITAL: 3 720 000 shares of R1 each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 1 450 000 Grade 1.63 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	Year ended Dec. 1974
Tons milled	153 000	228 000	1 074 000
Gold produced—ag.	240	253	912
Revenue per ton milled	R12.42	R12.42	R12.42
Revenue	R1 899 000	R2 833 000	R13 336 000
Cost	R1 899 000	R2 833 000	R13 336 000
Profit	—	—	—

FINANCIAL RESULTS

Working profit—Gold	R23 000	R310 000	R1 748 000
Working profit—Uranium	—	—	—
Net sundry revenue	—	—	—
Product	23 000	310 000	1 748 000
Profit before taxation and State's share	23 000	310 000	1 748 000
Taxation and State's share—estimated	12 000	163 000	468 000
Profit after tax and State's share—estimated	R11 000	R147 000	R1 280 000
Capital expenditure	R97 000	R220 000	R821 000
Dividends declared—amount	—	R1 502 000	R2 804 000
Dividends declared—per share	—	40 cents	80 cents

DIVIDEND PAID

The dividend of 10 cents per share declared during the quarter ended 31st December 1974 was paid on 6th February 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R125 000. Orders placed and outstanding on capital expenditure contracts as at 31st March 1975 totalled R120 000.

PRODUCTION

The supply of material for treatment from the No. 1 shaft waste rock dump ceased inwards the end of January 1975. Delay has been experienced in the commissioning of the conveyor system between the conveyor system at the old Daggafontein No. 3 shaft waste rock dump and the company's reconditioned plant. These delays and the late completion of the conveyor and crushing plant resulted in the tonnage treated from the rock dumps during the quarter being very much lower than expected.

The progress which can be made in achieving the planned rate of throughput of material from the rock dumps will determine the extent to which the planned production target for the year will be reached. It is hoped that the plant will be operating at full capacity towards the end of April.

For and on behalf of the board
D. A. ETHEREDGE, Directors.
15th April 1975

ORANGE FREE STATE

FREE STATE GEDULD MINES LIMITED

ISSUED CAPITAL: 10 000 000 shares of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 2 350 000 Grade 17.0 grams per ton

OPERATING RESULTS

	Quarter ended Mar. 1975	Quarter ended Dec. 1974	6 months ended Mar. 1975
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NAME _____

ADDRESS _____

SCOTTISH AMICABLE

Life Assurance Society

NOTICE IS HEREBY GIVEN that the One Hundred and Forty-ninth Annual General Meeting of the Members will be held in the Merchants' House, 7 West George Street, Glasgow on Wednesday 23rd April, 1975 at 2.30 p.m.

By order of the Directors
W. PROUDFOOT
General Manager and Actuary.

35 St. Vincent Place, Glasgow G2 2EP. 21st March, 1975.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Trading figures lift gilt-edged

The stock market was firm yesterday on the general assumption that today's Budget will lean towards deflation rather than reflation. Turnover in equities was thin but the FT index moved through the 300 mark again, to close a net 4.7 up at 300.2. An improvement in the United Kingdom trade figures in March was a helpful factor, particularly in gilts. Equities tended to drift off the top at the close after Glaxo Group had disclosed disappointing trading results.

Watchers of BOC International (formerly British Oxygen) still suspect a rights issue if conditions are right near the end of this year. Meanwhile they like the way the Wall Street price of Airco has risen towards the dollars 20 BOC paid for 35 per cent of the equity in December, 1973. Profits so far this year are good. The shares rose up to 35p yesterday.

The gilts market was in good heart after press reports that the Budget will contain public spending cuts and with the impetus of good trade figures. Trading tended to be thin in advance of the Budget, but there was still enough buying to cause good rises, particularly at the longer end.

"Shorts" opened 1 point better. But buying interest in the morning evaporated and most stocks still showed only 1 point rises at the close. Rises in "mediums" were commonly of 1 point and in "longs" of 1 point.

Helped by gilts, the equity market was firm from the opening of trading. But dealers decided not to draw too many conclusions from the March trade figures but share prices remained firm up to the close.

The exception to the general pattern was Glaxo Group, whose shares tumbled from 410p to 382p, a net 20p off after reporting trading profits well below market hopes.

ICI (224p), Unilever (343p), Beecham (225p) and Courtaulds (112p) all closed at or around the day's best levels.

A strong start to the week's batch of company results brought few features. Reckitt & Colman closed 10p off at 252p after disappointing results. But Rio Tinto-Zinc closed unchanged at 114p with the results confirming the company's predictions made at the time of the rights issue.

Interest in the heavy engineering side was less apparent. Vickers (130p) strengthened ahead of this week's trading statement. But BLMC (8p) slipped back, on fears that petrol could be a victim of the

Chancellor today. GKN (212p) and Tube Investments (220p) were quiet.

Small gains among banking issues left Barclays Bank at 235p and Midland at 224p. Midland new shares had a good day's trade. Insurances, too, were firm.

Shares in Ever Ready (Holdings) fell 6p to 70p on news of a reduction in working hours and some redundancies among the labour force.

But gold shares took fresh losses as London bullion prices weakened again. United States sellers appeared at first, but pressure later slackened. Western Areas (580p) closed 40p off, while falls of £1 left FS Geduld at £251 and President Brand at £201.

Equity turnover on April 11, £54.5m (14,066 bargains).

Active stocks yesterday, according to Exchange Telegraph, were ICI, Tubes new, Disinfectants, Burnham, OIL, B&S, CEC, Unilever, Trust H. Forte, Marks & Spencer and Courtaulds.

Latest dividends

Company	Ord	Div	Year	Prev
Admiral	2.24	2.24	3.8	3.74
Brooks Gp (10p) Fin	4.24	4.18	8.7	11.0
Glaxo Hlths (50p) Int	4.24	4.18	7.43	6.62
Hawker Morris (25p) Fin	6.76	6.24	14.7	12.08
Reckitt & Colman (50p) Fin	3.78	3.5	1.7	5.5
Reverber Hlths (25p) Fin	3.37	3.0	5.55	4.94
Rio Tinto-Zinc (25p) Fin	4.24	4.18	7.41	6.53
Sanderson Murray (50p) Int	2.79	2.79	—	4.69
Sheaf Shipping (50p) Int	3.54	2.78	23.5	6.28
Sheffield Twist (50p) Fin	2.29	2.29	4.56	4.1
York Fine Wood (20p) Int	1.6	1.6	1.7	1.6

All dividends in new pence or appropriate currencies

Company (and par values) Ord Div Year Prev

Brooks Gp (10p) Fin 4.24 4.18 8.7 11.0

Glaxo Hlths (50p) Int 4.24 4.18 7.43 6.62

Hawker Morris (25p) Fin 6.76 6.24 14.7 12.08

Reckitt & Colman (50p) Fin 3.78 3.5 1.7 5.5

Reverber Hlths (25p) Fin 3.37 3.0 5.55 4.94

Rio Tinto-Zinc (25p) Fin 4.24 4.18 7.41 6.53

Sanderson Murray (50p) Int 2.79 2.79 — 4.69

Sheaf Shipping (50p) Int 3.54 2.78 23.5 6.28

Sheffield Twist (50p) Fin 2.29 2.29 4.56 4.1

York Fine Wood (20p) Int 1.6 1.6 1.7 1.6

Adjusted for scrip. As forecast.

Costs squeeze gold mining profits

Yesterday was a bad day for bullion and for gold mining companies with the psychological barrier of \$170 being breached for the first time since the autumn. There are several reasons behind the drop to \$157, but the strength of the dollar is certainly the major one at present. That the March quarterly figures from the South African mines are generally well below expectations is bound to make a further substantial impact upon sentiment this morning.

Admittedly these latest figures were awaited with some trepidation, given soaring costs, compounded by labour shortages and the uncertainty over actual receipts. These variations were well illustrated by Libanon in the last quarter receiving \$206 while President Steyn had only \$152.

In the Anglo American group, the greatest disappointments are the results from Western Deep Levels and Vaal Reefs where all these problems were exacerbated. Western Deep saw its working profits slump from \$38.3m to \$23.1m, thanks to the rise in costs in the March quarter of 15.7 per cent, and a drop of more than 10 per cent in production due to labour problems and two underground fires. The gold receipts fell from \$192 to \$156 an oz.

At Vaal Reefs, where working profits slid from \$40.2m to \$18.5m, costs were some 15 per cent higher. Grade was down by nearly two grams a ton and gold receipts were 10 per cent lower at \$163. But while labour shortages continued there is now the expectation that the position should return to normal by the end of the current quarter.

But it might give a fairer indication of true profitability if the running average over a period of three quarters were studied instead of the figures for a specific quarter. In this case, Western Deep would

show profits of \$29m and Vaal Reefs \$28.6m.

A better outcome occurred at President Brand, where working profits have effectively been maintained with a 100,000-ton drop in milling balanced by a better gold price and grade. Costs, however, rose by 18 per cent. Production for 1975 has been revised downwards from 3.05m to 2.95m tons. Free State Geduld probably emerges with figures which cause the least surprise with costs under control, only 6 per cent up. The agreement with Freddie to refine ore continues until at least September.

Working profits R000s

	Mar	Dec	Sept
East Dagg	83	310	189
Freddie	541	1,116	4,081
FS Geduld	1,244	623	1,867
FS Brand	25,975	26,272	24,096
Free State	23,728	23,815	23,068
Pres Steyn	15,253	13,691	16,931
SA Land	440	1,549	803
Vaal Reefs	18,459	40,233	27,236
Welkom	5,466	5,376	5,664
W Deep	23,073	38,266	25,900
W Hlgs	23,101	22,685	28,433

In the Union Corporation group mines, the general picture is one of lower tonnage across the board, maintained grade and increased costs, but these are generally held below 10 per cent. Again there are variations in gold receipts with Winkelhaak, down from \$182 to \$162, and St Helena from \$171 to \$164 the most significant.

Profits are as follows:

	Mar	Dec	Sept
Bracken	4,726	6,064	4,889
Grosvlei	1,674	1,969	1,868
Kimross	6,588	7,775	6,554
Leslie	2,619	3,616	3,076
Marievale	1,643	2,285	2,006
St Helena	16,540	20,311	16,708
Winkelhaak	8,720	10,889	8,624

— Andrew Wilson

ABM hint of consumer resistance to prices

Having announced last week a rights issue to raise about £3m, Associated Biscuit Manufacturers gives a warning that though commodity prices in general are at present lower than the "high" of 1974, any further increase in "basic" prices could have an adverse effect on consumer demand.

Other factors likely to affect results writes Mr Richard Carr, chairman, are the disposal of its Australian subsidiary and thus removal of a material drain on earnings, while the sale of its half stake in Choclet Tobler Melts for £315,000 provides funds for profitable development elsewhere.

As the accounts show the main pressure on resources comes from the inflation of stocks and debtors. Stocks soared from £9.1m to £13.8m and debtors from £12.97m to £19.07m. Bank balances and deposits dropped from £3.23m to £2.72m, while the unsecured bank overdraft is a £3m against nil.

Harmony agrees joint venture

The land known as Vermeulenkraal 223 in Orange Free State will be prospected for gold by Harmony Gold Mining Co. if there are exploitable reserves. Harmony will finance the development of mining with Free State Development, sharing a modest extent in the profits while the risk capital is recovered. Thereafter, Free State Development will share equally in profits with Harmony.

Vermeulenkraal lies directly west and contiguous with both Harmony and its Merriespruit subsidiary and about 2km south of Unisel and Video 305, which is now being sold to President Steyn on a share exchange basis.

Business appointments

Mr M. J. Verey named CU vice-chairman

Mr Michael J. Verey has been named vice-chairman of Commercial Union Assurance.

Mr E. R. H. Harvey has become chairman of Purcell and Sons, Farnham. The former chairman remains on the Purcell board. Mr Robert Patterson has retired as a director and relinquished the position of joint deputy chairman.

Mr W. J. Harvey has been appointed sole managing director of Purcell.

Mr A. A. Hignett has joined Brest Chemicals International as chief executive United Kingdom.

The board of Thames Flywood Manufacturing has been reorganised and Mr R. E. Harvey has become managing director. Mr R. Jeffries and Mr P. W. Palmer have resigned as non-executive directors.

Mr Thomas Buchanan has been elected executive vice-president of Kellogg International Corporation.

Mr Ian Buchanan has been appointed chairman of the Liverpool Local Board of Barclays Bank.

Mr John F. W. Morgan has joined Jones Lang Wootton GmbH as a director-designate.

Mr Neil Freeland is resigning from directorships of Anglo Nordic Shipping Co and associated companies, and is joining the board of H. Clarkson & Co.

Mr T. Kenney has been made a director and deputy chairman of Wall Securities.

Mr C. G. Palmer, a managing director of Gill & Duffus Group, has been elected chairman of H. Leonard Puckle, the group's wholly-owned Lloyd's insurance broker. Mr F. M. Gill has relinquished the chairmanship of Puckle but remains a director.

Mr F. W. Downing, who recently retired as joint assistant managing director in charge of operations at Bovis Construction, has been appointed a non-executive director of B.A.T.

Mr Derek Kavanagh becomes a director of Brooke Bond Liebig.

Mr David H. Gault has been made a director of the United States and General Trust Corporation.

Mr George Middleton, who has retired as chairman of the Asahi Group, has been succeeded by Mr M. Ward Thomas, a director of Selection and deputy chairman of Wall Securities.

Mr R. S. Punt, previously an assistant managing director, has been appointed deputy managing director of Standard Chartered Bank. Pending the appointment of a managing director, Mr Punt will act temporarily as chief executive.

Mr Anthony Berkeley becomes acting secretary of Pension Plan (Europe).

Mr John Winter has been appointed a regional director of the central London regional board of Lloyd's Bank.

Mr R. J. Adam and Mr R. J. W. Tiley join the board of Bland Payne International; Mr A. E. Briggs, Mr A. H. Blackett, Mr H. Spragg, Mr E. Wright, Mr P. H. Gilbert, Mr T. A. Mann and Mr T. Tannin become executive directors.

Directors Mr A. Colla, Mr K. Dower, Mr D. G. W. Jones, Mr B. J. Williams, Mr C. J. Cooper, Mr R. A. Dunstan, Mr P. J. Frisco and Mr D. Senior become assistant directors.

Mr R. A. Whitte, managing director of John Hudson & Co and Mr J. Vizard have been appointed to the board of William Hudson Group. Mr J. E. Eames has been made finance director and Mr B. Peter Jos has left the board of Williams Hudson to remain chairman and managing director of Centralbank.

TURNER & NEWALL LIMITED

RECORD TRADING PROFIT—HIGH FINANCE COST

Points from the Statement by the Chairman, Ralph Bateman



TRADING PROFITS UP 43% £3m of increase from newly acquired plastics businesses. Trading profit of overseas companies, at £11.1m, was nearly equal to UK profit and provided much higher return on sales revenue and on investment than achieved in UK.

EXPORTS 40% HIGHER Group's favourable balance of payments £30m. Export price levels markedly higher than controlled levels in UK.

INFLATION Inflation — coupled with price control — reduced cash generation. In real terms stocks scarcely increased and debtors were reduced, but cash flow fell short of working capital and investment needs, the gap being met by increased borrowing.

ASSOCIATED COMPANIES Problems of associates, particularly in North America, helped to reduce share of equity earnings by £2.7m, but Certain-teed (USA), normally a major contributor, expects satisfactory 1975 results.

CAPITAL EXPENDITURE £9.1m spent in UK, £2.6m overseas. 1975 expenditure will be lower.

ACQUISITIONS AND DIVESTMENTS T&N sold its holdings in Everite (South Africa), producing a surplus of £3.5m, and the Contracting Division of Newalls Insulation and acquired interests in companies distributing automotive components in Italy and manufacturing cold store panels in France.

EUROPEAN ECONOMIC COMMUNITY One third of exports went to EEC. Company's interest and ability to provide jobs would be endangered by withdrawal from membership.

OUTLOOK 1975, and probably 1976, will be extremely difficult, but T&N should end 1975 in a strong and healthy state and can prosper if Government policies are sensible.

Salient Figures from Consolidated Accounts

Year ended 31st December	1974	1973
Sales	235,707,000	178,470,000
Exports	46,701,000	33,251,000
Trading profit	23,992,000	16,749,000
Profits pre-tax	21,478,000	20,053,000
Profits after tax	10,458,000	11,157,000
Retained	6,616,000	4,451,000
Net Assets	188,713,000	161,617,000

NOTE: The accounts of Rhodesian subsidiaries are excluded

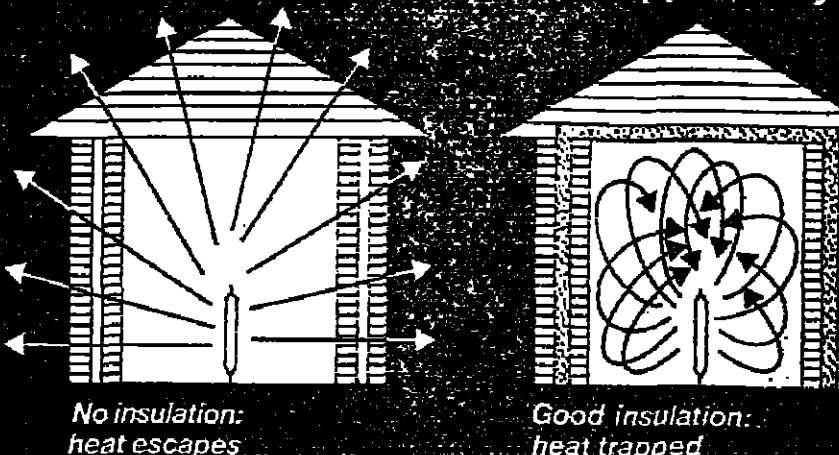
DIVIDEND Interim and final dividends, totalling 7.56p per Ordinary Stock Unit, are, on an annual basis, unchanged.

The Annual General Meeting will be held at 36 George Street, Manchester on 8th May at 12 noon. The full text of the Chairman's Statement has been circulated with the Report and Accounts, which contains a review of activities. Copies are available on application to the Secretary, 77 Fountain Street, Manchester M2 2EA.

TAC Construction Materials Ltd
TBA Industrial Products Ltd
Ferodo Ltd
Newalls Insulation Co Ltd
British Industrial Plastics Ltd
Engineering Components Ltd
Turners Asbestos Fibres Ltd
Turners Asbestos Cement (NI) Ltd

and 38 overseas mining, manufacturing and marketing companies

Energy conservation - a T&N opportunity



No insulation: heat escapes

Good insulation: heat trapped

هشتمن الفصل

ANGLO AMERICAN CORPORATION

OF SOUTH AFRICA, LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO THE REGISTERED HOLDERS OF ORDINARY SHARE

DIVIDEND No 77

As proposed in the Budget may have an effect on the interest rate for the dividend and it is not practicable to prepare the dividend warrants on the basis of the 15th February, 1975.

Dividend warrants will accordingly be issued to shareholders on the United Kingdom register on or about 24th April, 1975.

15th April, 1975

MARKET REPORTS

Commodities

Commodity	Price
Wheat	100.00
Barley	100.00
Oats	100.00
Rye	100.00
Maize	100.00
Soybeans	100.00
Groundnuts	100.00
Copra	100.00
Coconut oil	100.00
Crude oil	100.00
Gasoline	100.00
Heating oil	100.00
Coal	100.00
Iron ore	100.00
Copper	100.00
Aluminum	100.00
Zinc	100.00
Nickel	100.00
Lead	100.00
Silver	100.00
Gold	100.00

Bank Base Rates

Bank	Rate
Bank of England	10.5%
Bank of Ireland	10.5%
Bank of Scotland	10.5%
Bank of Wales	10.5%
Bank of Cyprus	10.5%
Bank of Greece	10.5%
Bank of Spain	10.5%
Bank of Portugal	10.5%
Bank of France	10.5%
Bank of Germany	10.5%
Bank of Italy	10.5%
Bank of Japan	10.5%
Bank of USA	10.5%
Bank of Canada	10.5%
Bank of Australia	10.5%
Bank of New Zealand	10.5%
Bank of South Africa	10.5%
Bank of Argentina	10.5%
Bank of Brazil	10.5%
Bank of Mexico	10.5%
Bank of Chile	10.5%
Bank of Peru	10.5%
Bank of Colombia	10.5%
Bank of Venezuela	10.5%
Bank of Ecuador	10.5%
Bank of Bolivia	10.5%
Bank of Paraguay	10.5%
Bank of Uruguay	10.5%
Bank of Cuba	10.5%
Bank of Haiti	10.5%
Bank of Dominican Republic	10.5%
Bank of Central America	10.5%
Bank of Caribbean	10.5%
Bank of North America	10.5%
Bank of South America	10.5%
Bank of Europe	10.5%
Bank of Asia	10.5%
Bank of Africa	10.5%
Bank of Oceania	10.5%
Bank of Antarctica	10.5%

Company	Price
Armitage & Rhodes	43
Henry Sykes	119
Twinlock Ord	33
Twinlock 12% ULS	60

Foreign Exchange

The dollar continued to firm to Europe yesterday, while sterling remained at an all-time low against the major currencies.

News that the United Kingdom March trade deficit narrowed to £160m from a revised £200m in February gave the pound a brief respite in its weaker trend against the dollar dealers said.

It rallied to about \$2.35, but closed at \$2.355, down a net 55 points. The Bank of England's "effective rate" for sterling widened from 21.9 to 22.1 per cent—equal to its previous weaker level.

Spot Position of Sterling

Market	Rate
New York	100.00
London	100.00
Paris	100.00
Frankfurt	100.00
Geneva	100.00
Basel	100.00
Brussels	100.00
Amsterdam	100.00
Stockholm	100.00
Copenhagen	100.00
Helsinki	100.00
Tampere	100.00
Oslo	100.00
Stockholm	100.00
Copenhagen	100.00
Helsinki	100.00
Tampere	100.00
Oslo	100.00

Forward Levels

Month	Rate
1 month	100.00
3 months	100.00
6 months	100.00
9 months	100.00
12 months	100.00

Gold

Gold fell \$5.00 an ounce to \$170.00.

Discount market

Houses enjoyed a very quiet and comfortable start to Budget week. The market opened rather nervously, with rates about 9 per cent, but money soon began to flow in some volume and this was backed up by the official view of moderate surplus on the day.

Money Market

Market	Rate
Bank of England	10.5%
Bank of Ireland	10.5%
Bank of Scotland	10.5%
Bank of Wales	10.5%
Bank of Cyprus	10.5%
Bank of Greece	10.5%
Bank of Spain	10.5%
Bank of Portugal	10.5%
Bank of France	10.5%
Bank of Germany	10.5%
Bank of Italy	10.5%
Bank of Japan	10.5%
Bank of USA	10.5%
Bank of Canada	10.5%
Bank of Australia	10.5%
Bank of New Zealand	10.5%
Bank of South Africa	10.5%
Bank of Argentina	10.5%
Bank of Brazil	10.5%
Bank of Mexico	10.5%
Bank of Chile	10.5%
Bank of Peru	10.5%
Bank of Colombia	10.5%
Bank of Venezuela	10.5%
Bank of Ecuador	10.5%
Bank of Bolivia	10.5%
Bank of Paraguay	10.5%
Bank of Uruguay	10.5%
Bank of Cuba	10.5%
Bank of Haiti	10.5%
Bank of Dominican Republic	10.5%
Bank of Central America	10.5%
Bank of Caribbean	10.5%
Bank of North America	10.5%
Bank of South America	10.5%
Bank of Europe	10.5%
Bank of Asia	10.5%
Bank of Africa	10.5%
Bank of Oceania	10.5%
Bank of Antarctica	10.5%

Recent Issues

Company	Price
Armitage & Rhodes	43
Henry Sykes	119
Twinlock Ord	33
Twinlock 12% ULS	60

Authorized Units, Insurance & Offshore Funds

Unit	Price
Armitage & Rhodes	43
Henry Sykes	119
Twinlock Ord	33
Twinlock 12% ULS	60

Commercial Union Assurance Company Limited

The 113th Annual General Meeting of Commercial Union Assurance Company Limited was held in London yesterday at the Baltic Exchange. Mr. F.E.P. Sandilands, C.B.E., the Chairman, addressing shareholders said:

While many of last year's fundamental conditions have not changed so far this year, our own profits before providing for taxation in the opening weeks of 1975 show some improvement over those in the corresponding period of 1974. This improvement should be reflected in our first quarter's results which will be published in a month's time on 12th May.

As a result of the appreciation in the value of ordinary shares since 31st December 1974, principally in the United Kingdom and the United States, and the rise in the value of fixed interest securities, due to the general fall in interest rates, our net surplus assets have risen from £222m. at 31st December 1974 by about £50m.

This increase in net surplus assets is of course welcome but its maintenance depends in general upon a sustained improvement in world trade and in particular upon a better outlook for corporate profits. We remain concerned about the more immediate prospects for both, and especially about the political and economic outlook in the United Kingdom. It seems that those who to-day are seeking to bring about greater material equality are losing sight of the fact that they are, at the same time, in grave danger not only of prejudicing the creation of wealth but of actually destroying it by frustrating the efforts of those who have the ability to create it. Surely the aim should be the generation of greater national wealth for the benefit of all and not equal shares for all in a growing state of national poverty. Only if equality of effort and responsibility was possible, could equality of wealth conceivably be achieved.

We, in this industry, are entrusted with the savings of millions of people through life assurance policies and pension schemes. These savers are, in the main, ordinary men and women for many of whom life assurance or membership of a pension scheme may represent the only savings they have. We endeavour to protect these savings by investing them as wisely as we can but the real value of most savings has been eroded in recent years. Many factors inside the country and outside it have contributed to this erosion but a major factor has been the undermining of business confidence through excessive and arbitrary intervention, and threats of intervention, by successive Governments. It is true that there has been some recovery of investment values since the turn of the year but the maintenance of this depends upon two things: effective control of inflation and an improvement in the outlook for corporate profits.

The responsibility for checking inflation rests with the Government. An individual, a family or a company must live within its means. A country must do the same. It can only afford to spend what it can earn. This country will not overcome its many difficulties of to-day until the Government and all the people of this country come to understand and accept this very old and simple standard. Large unemployment need not be the consequence. The most positive, productive and satisfactory alternative to unemployment is for everyone to work harder to increase the supply of goods and services at prices that are sufficiently competitive to enable them to be sold profitably here and, more particularly, abroad. This may well mean lower living standards for all initially but it is preferable to continuing inflation and the greater unemployment which it will cause.

Adequate corporate profits are a national necessity. The Government needs them as a major source of tax revenue. Companies need them to maintain their businesses and the employment they provide. Savers, including particularly life policyholders and pensioners, need them if the real value of their savings is to be maintained. Capital is one of the essential ingredients of the creation of corporate profits and it is available for investment to those who seek it when they can see profitable uses for it. Unfortunately, they have not been able to see such prospects recently. Companies have been asked for higher wages by their own employees and for higher prices by the nationalised industries, largely as a result of wage increases in those industries. They have then been prevented from putting up the prices of their own goods or services so that their profits have been depressed. Boards of Directors have naturally hesitated to seek additional capital in these circumstances though lately—and in the main because of the need for companies to replenish their working capital—there has been a spate of rights issues, and these have been supported by the City. This—and the support which was given to Finance for Industry's loan stock issue—shows how fallacious it is for politicians to say that the City has failed to provide capital for British industry. The City does and will provide it when the demand is there.

The Common Market issue, like so many to-day, is a very complex one. We have over 2 million policyholders or customers in the United Kingdom, over 100,000 shareholders, and several thousand employees and pensioners. We believe that they, and indeed others, may wish to know how we, as a Board, view the issue.

We are unanimously in favour of the United Kingdom remaining a member of E.E.C. We believe this to be the right course for the people of this country for the following reasons:

- 1 The E.E.C. is an economic rather than a political community or union. Economic sovereignty is already a matter of history for all E.E.C. and other countries which have since the war collectively chosen the path of international co-operation through membership of such bodies as GATT, the World Bank, and the International Monetary Fund. The E.E.C. fits naturally into this enlightened and practically advantageous movement.
- 2 No one country in Western Europe is any longer individually powerful enough to exert a decisive influence on world events, and none is able on its own to develop and exploit the full range of modern scientific, technological and industrial advances, with the promise they hold for improved living standards.
- 3 By the conscious pooling of economic sovereignty the original members of E.E.C. have gained far more than they have lost since E.E.C.'s inception. Their economic performance has been improved by the greater competition and innovation which membership of the Community has stimulated and this is reflected in higher living standards and stronger currencies for most of the countries of E.E.C. compared to those of the United Kingdom. At the same time they have been able to preserve to their own satisfaction their national characteristics, cultures, laws and traditions.
- 4 The E.E.C. constitutes a domestic market five times as large as that of the present United Kingdom domestic market, and membership does not restrict the development of trade and other economic links with non-E.E.C. countries.
- 5 During the early years of E.E.C. there were problems for Britain over entry arising from her historical trading ties with other member countries of the Commonwealth. However, these problems have been greatly diminished with the effluxion of time and through negotiation, as a result of which the initial opposition of Commonwealth countries to United Kingdom membership has largely been overcome. Any problems that remain are capable of being settled through further negotiation. Moreover, it should be borne in mind that the old ties would inevitably have been weakened because of political and economic developments within the Commonwealth itself. Our other major trading partners, notably the United States, are in no way opposed to United Kingdom membership of E.E.C. Indeed, American investors, if forced to choose between investment in E.E.C. without the United Kingdom and with a total population of 260 million or in a Britain cut off from Europe with a population of only 60 million, would understandably regard the former as the better prospect.
- 6 There is no group of countries other than E.E.C. with the same degree of common economic interests which the United Kingdom could alternatively join. If, therefore, we were to leave E.E.C., the United Kingdom's economic prospects and the possibility of maintaining the value of sterling would inevitably diminish.

Finally, the organic nature of E.E.C. has to be recognised. What are perhaps the more obvious short term difficulties and problems of adjustment must not be confused with the less obvious and far greater long term benefits. Neither the short term problems nor the long term benefits can easily be evaluated in reliable numeric terms, but this must not be allowed to obscure the key and decisive reasons which I have outlined. The Commercial Union has been in existence for over a hundred years. We operate in more than a hundred countries all over the world. We can therefore speak with some knowledge and experience of international business and economic conditions, and we have no hesitation in saying to all our friends in Britain—"Vote to stay in E.E.C."

Insure with
Commercial Union
Assurance



Steady ahead of the Budget

ACCOUNT DAYS: Dealings Began, April 7. Dealings End, April 18. \$ Contract Day, April 21. Settlement Day, April 29.
\$ Forward bargains are permitted on two previous days.

\$ Forward bargains are permitted on two previous days.

HIGH & DRY

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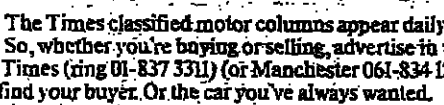
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1. *Chlorophyll a* (Chl *a*)

[illegible][illegible]

ST. TROPEZ - Luxury villas
on sea, lots of sun, a
French, superb views, 5000
m, 1000 m, 1000 m, 1000 m
YAN, French, 1000 m, 1000 m
CLO D. W. 1000 m, 1000 m

continued on page 28

